

# BA-PHALABORWA MUNICIPALITY



**“Home of Marula and Wildlife Tourism”**

**ANNUAL BUDGET 2015/16 MTREF**

# Vision

*"Provision of quality services for community well-being and tourism development"*



# Mission

- to provide democratic and accountable government for local communities;
- to ensure the provision of services to communities in a sustainable manner;
- to promote social and economic development;
- to promote a safe and healthy environment; and
  - to encourage the involvement of communities and community organisations in the matters of local government.

# Values

- Efficiency and effectiveness
  - Accountability
- Innovation and creativity
- Professionalism & hospitality
- Transparency and fairness
  - Continuous learning
- Conservation conscious

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### **ABBREVIATIONS/ACCRONYMS**

|       |                                               |
|-------|-----------------------------------------------|
| CFO   | Chief Financial Officer                       |
| CPIX  | Consumer Price Index                          |
| DoRA  | Division of Revenue Act                       |
| DPLG  | Department of Provincial and Local Government |
| DLGH  | Department of Local Government and Housing    |
| EXCO  | Executive Committee                           |
| GRAP  | Generally Recognised Accounting Practice      |
| IDP   | Integrated Development Plan                   |
| MFMA  | Municipal Finance Management Act              |
| MIG   | Municipal Infrastructure Grant                |
| MPRA  | Municipal Property Rates Act                  |
| MTREF | Medium Term Revenue and Expenditure Framework |

|       |                                                 |
|-------|-------------------------------------------------|
| NERSA | National Electricity Regulation of South Africa |
| NT    | National Treasury                               |
| PMS   | Performance Management System                   |
| PPP   | Public-Private Partnerships                     |
| SALGA | South African Local Government Association      |
| SDBIP | Service Delivery Budget and Implementation Plan |

## **PART ONE**

### **ANNUAL BUDGET**

## **1. MAYOR'S REPORT**

### **BA- PHALABORWA LOCAL MUNICIPALITY'S BUDGET SPEECH FOR 2015/16**

**Delivered by Mayor, Cllr. NA Sono**

**On Thursday, 28 May 2015**

Honourable Speaker, Cllr. MD Maake, Chief Whip of Council, Cllr. SL Mohlala, Members of the Executive Committee, Leaders of Opposition Parties, Traditional Leaders, Fellow Cllrs, Community at large, Distinguished Guests, Members of the Media, Ladies and Gentlemen,

Good Afternoon,

I have the honour to present the last budget of our term of office as this Council, in line with the provisions of Section 16 of the Municipal Finance Management Act, 2003.

Honourable members of Council and fellow residents of the entire Ba-Phalaborwa municipal area present here today, it is indeed encouraging and strengthening to note that over the past four years this current Council managed to deliver water, electricity, roads and many more essential services to our communities. In the implementation and delivery of all these services, we were able to provide temporary employment opportunities to our people.

Honourable Speaker, though we were able to register a huge progress in terms of provision of services to our people, but it is worth mentioning that there is still hard work ahead in the provision of the needs of our people as envisaged in the Freedom Charter. We only hope that the next incoming Council will take it from where we left and continue moving forward.

Honourable members, unemployment still remains as our single economic and social challenge. It is therefore imperative that in whatever we do as government we continue to prioritise measures aimed at generating employment opportunities. In this regard the EPWP and CWP as budgeted by the municipality and COGTA respectively will also be used to create temporary work opportunities to our communities.

Just like in the past financial year Honourable Speaker, the 2015/16 Budget is channelled to address challenges relating to roads, electricity, storm water culvert only cite a few examples of those.

Honourable Speaker, for the 2015/16 budget a considerate effort was put to align our strategic objectives with the IDP and Budget. The total projected revenue for budget year 2015/16 is **R479, 557** million. The total revenue comprises of own generated revenue which amount to **R329,905** million for all municipal service charges and total transfers grants amounting **R149, 652** as per DORA. Total revenue has grown by **24%** for the 2015/16 financial year compared to the 2014/15 Adjustments Budget.

The 2015/16 total expenditure budget amounts to **R523, 784 million**. This total budget comprises of operational expenditure budget of **R469, 992** million and capital budget of **R53, 792** million.



- The budgeted allocation for employee related costs for the 2015/16 financial year totals **R122,693** million which equals **26%** of the total operating expenditure. Salary increases have been factored into this budget at a percentage increase of **4.4%** for the 2015/16 financial year as per latest circular 75.
- The cost associated with the remuneration of councillors is determined by the Minister of Co-operative Governance and Traditional Affairs in accordance with the Remuneration of Public Office Bearers Act, 1998 (Act 20 of 1998). For the 2015/16 financial year the remuneration will amount to **R12,811** million. It is equal to **3%** of the operating expenditure.
- In the 2015/16 financial year, contracted service totals **R52,256** million which equates to **11%** of the total operating expenditure.
- The provision of debt impairment was determined based on a current collection rate of 45 per cent and the Debt Write-off Policy of the municipality. For the 2015/16 financial year this amount equates to **R33,326** million which equates to **7%** of the total operating expenditure.
- Provision for depreciation and asset impairment has been informed by the Municipality's Asset Management Policy. Budget appropriations in this regard total **R70,104** million for the 2015/16 financial and equates to **15%** of the total operating expenditure. Note that the implementation of GRAP 17 accounting standard has taken into account.
- Bulk purchases are directly informed by the purchase of electricity from Eskom. The annual price increases have been factored into the budget appropriations and directly inform the revenue provisions. The expenditures include distribution losses and are equal to **18%** of the operating expenditure.
- The finance charges for 2015/16 financial year is estimated to be **R2,1** million which constitute **0,4%** of the total operating expenditure.

- Other expenditure comprises of various line items relating to the daily operations of the municipality, For 2015/16 financial year is estimated at **R82, 362** million which equates to **18%** of total operational budget. The amount include **R21** million of repairs and maintenance.

The budget we are tabling today is having a surplus amount totalled to **R9, 6** million.

Honourable Speaker, as I've already indicated that the total capital budget is **R53, 792** million, in terms of budget funding **R17, 300** million will be funded from internally generated revenue which constitute **32%** of the capital budget, while the **R36, 492** will be funded by National Treasury constituting **68%** of the capital budget.

### **Tariffs**

Honourable Speaker, it is envisaged that the proposed tariffs will allow the municipality to generate sufficient revenue to sustain its operations. The 2015/16 tariffs has been reviewed and analysis has been conducted to asses affordability level of our community. However, NERSA is governing the electricity tariff increases. The annexure of tariff book is attached on the budget document to highlight the categories of increases. The municipality has also introduced the Inclining block tariff on electricity. Members of the community are encouraged to allow access into their yards where meters are located to avoid exorbitant charges.

Honourable Speaker, I will repeat this time and again: **Our communities are reminded to pay services offered by Council in order to afford continuity.**

Honourable Speaker, I therefore present the following resolutions before Council as follows:

## **2. ANNUAL BUDGET RESOLUTIONS**

The Council of Ba-Phalaborwa Local Municipality in its seating on 28<sup>th</sup> May 2015 resolved as follows with regard to the annual Budget for 2015/16 Medium-Term Revenue and Expenditure Framework:

### **2.1. Annual Budget for 2015/16 MTREF**

Council resolved that the budget and MTREF and its supporting tables of the Ba-Phalaborwa municipality for the financial year 2015/16; be approved as set out in the following tables:

|                |                                                                            |
|----------------|----------------------------------------------------------------------------|
| Table MBRR A1  | Budget Summary                                                             |
| Table MBRR A2  | Revenue and expenditure by standard classification                         |
| Table MBRR A3  | Budgeted financial performance (Revenue and Expenditure by Municipal Vote) |
| Table MBRR A4  | Budgeted financial performance (Revenue and Expenditure)                   |
| Table MBRR A5  | Budgeted capital expenditure                                               |
| Table MBRR A6  | Financial position                                                         |
| Table MBRR A7  | Budget cash flows                                                          |
| Table MBRR A8  | Cash backed reserves, accumulated surplus reconciliation                   |
| Table MBRR A9  | Asset Management,                                                          |
| Table MBRR A10 | Basic service delivery measures                                            |

### **2.2. Annual Budget Supporting Tables for 2015/16 MTREF**

That the budget of Ba-Phalaborwa municipality for the financial year 2015/16; and indicative figures for the two projected outer years 2016/17 and 2017/18 be approved as set-out in the following supporting tables:

|                 |                                                                    |
|-----------------|--------------------------------------------------------------------|
| Table MBRR SA1  | Supporting details to budgeted financial performance               |
| Table MBRR SA2  | Consolidated Matrix Financial performance                          |
| Table MBRR SA3  | Budgeted financial position                                        |
| Table MBRR SA7  | Measurable performance objective                                   |
| Table MBRR SA8  | Performance indicators and benchmark                               |
| Table MBRR SA9  | Social, economic and demographic statistics and assumptions        |
| Table MBRR SA10 | Funding Measurements                                               |
| Table MBRR SA11 | Property rates summary,                                            |
| TableMBRSA12&13 | Property rates category                                            |
| Table MBRR SA14 | Household bills                                                    |
| Table MBRR SA15 | Investment particulars                                             |
| Table MBRR SA16 | Investment particulars by maturity                                 |
| Table MBRR SA17 | Borrowing                                                          |
| Table MBRR SA20 | Reconciliation of transfer, grant receipt and unspent funds        |
| Table MBRR SA21 | Transfer and grants made by the municipality                       |
| Table MBRR SA22 | Summary of councillor and staff benefits                           |
| Table MBRR SA23 | Salaries, allowances & benefits                                    |
| Table MBRR SA25 | Budgeted monthly revenue and expenditure (Standard Item)           |
| Table MBRR SA26 | Budgeted monthly revenue and expenditure (Municipal vote)          |
| Table MBRR SA27 | Budgeted monthly revenue and expenditure (Standard classification) |
| Table MBRR SA28 | Budgeted monthly capital expenditure (Municipal vote)              |
| Table MBRR SA29 | Budgeted monthly capital expenditure (Standard classification)     |
| Table MBRR SA30 | Budgeted monthly cash flow                                         |

|                 |                                                           |
|-----------------|-----------------------------------------------------------|
| Table MBRR SA33 | Contract having future budgetary implications             |
| Table MBRR SA34 | Capital expenditure by asset classification               |
| Table MBRR SA35 | Future financial implications of the capital budget       |
| Table MBRR SA36 | Detailed capital budget                                   |
| Table MBRR SA37 | Detailed capital projects delayed from previous financial |

### 2.3. Property Rates and other municipal tax

Council resolves that **adopted** property rates and other municipal tax as reflected on Tariff Schedule (Annexure A) are **imposed** for the budget year 2015/16

### 2.4. Tariffs and charges

Council resolves that the tariffs and charges reflected on Tariff Schedule (Annexure A and B) are **approved** for 2015/16 budget year be adopted for implementation.

### 2.5. Integrated Development Plan

Council resolves that the Integrated Development Plan be **approved** with this budget.

### 2.6. Credit Control, Debt Collection

Council resolves that the adopted credit control, debt collection and Consumer Care Policies be approved for 2015/16 financial year

### 2.7. Indigent Policies

Council resolves that the adopted Indigent Household Consumers Subsidy Policy be approved for 2015/16 financial year.

### **Indigent Support**

- 2.7.1. Council resolves to support indigents households **approved** as per adopted indigent household consumer policy
- 2.7.2. Council further resolves that, in the event that the total subsidy in respect of approved indigents exceeds the budgeted amount, the excess amount be re-allocated from the current provision for bad debts to the relevant indigent subsidies, in view of the fact that the current bad debt is adequately provided for and the resolution related to the approval of the Indigent Policy will remain intact.
- 2.7.3. Council resolves that for the 2015/16 financial year the indigents are subsidized as set out in adopted Household Consumer and Subsidy Policy and that the subsidy will consist of the following:
1. 6 kl of water per indigent household per month, where metered, alternatively the flat rate levied
  2. 50 kw of electricity per indigent household per month, where metered, alternatively the flat rate levied
  3. 100% Free refuse removal from residential stands in accordance with the Tariff Schedule
  4. 100% Free sewer services to residential stands in accordance with the municipality's Tariff Schedule
  5. Payment of Rates and Taxes on a residential property in accordance with the municipality's Property Rates and Tariff Policies
  6. Payment of rental on council-occupied residential property in accordance with the municipality's Tariff Policy

### **Budget related policies**

Council resolves that the following 2015/16 budget related policies be approved:

1. Property Rates Policy
2. Tariff Policy
3. Credit Control Policy
4. Debt Collection Policy
5. Indigent Household Consumer Subsidy policy
6. Supply chain management policy
7. Virement policy
8. Budget policy
9. Petty Cash policy
10. Asset Management Policy
11. Bad Debts Write Off
12. Deposit Policy
13. Cash management and Investment Policy
14. Fleet management Policy
15. Electricity by-laws

16. Land use by-law
17. Electricity supply by-laws
18. Ba-Phalaborwa Service Standards

Honourable Speaker, I thank you.



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**CLLR MD MAAKE**

**SPEAKER OF BA-PHALABORWA LOCAL MUNICIPALITY COUNCIL**

### **3. EXECUTIVE SUMMARY**

## EXECUTIVE SUMMARY

In terms of Section 16. (1) Of the MFMA, the council of a municipality must for each financial year approve an annual budget for the municipality before the start of the financial year, (which is before the end of June each year). In order for a municipality to comply with the above statement indicated, the mayor of the municipality must table the annual budget at a council meeting at least **90 days** (which is before or by the end of March) before the start of the budget year.

**Section 17 of the MFMA, further states that the annual budget of a municipality must be scheduled in the prescribed formats as indicated by National Treasury, and must do the following:**

- Setting out **realistically anticipated revenue** for the budget year from each revenue source.
- Appropriating expenditure for the budget year under the different votes of the municipality.
- Setting out **indicative revenue per revenue source and projected expenditure by vote** for the two financial years following the budget year.

**Section 18 of the MFMA, further states that the municipality may fund the expenditures from:**

- Realistically anticipated revenues to be collected. (This will includes all the Grants to be received by the municipality, Donations, Transfers, and Own Revenue Collection).
- Cash-backed accumulated funds from previous years' surpluses not committed for other purposes;
- Borrowed funds, but only for the capital budget

The application of sound financial management principles for the compilation of the Municipality's financial plan is essential and critical to ensure that the Municipality remains financially viable and that municipal services are provided sustainably, economically and equitably to all communities.

The Municipality's business and service delivery priorities were reviewed as part of this year's planning and budget process. Key areas where savings were realized were on telephone and internet usage, printing, workshops, national travel, accommodation, and catering. The Minister of Finance stated in his 2013 Budget Speech: The NDP reminds us that South Africa needs to invest in a strong network of economic infrastructure

designed to support the county's medium- and long-term economic and social objectives".In his budget speech for 2015, he further continued to say we have agreed on a National Development Plan. But there is still hard work ahead in its implementation.

And so we must intensify our efforts to address economic constraints, improve our growth performance, create work opportunities and broaden economic participation. We need to achieve these goals if our National Development Plan is to be realised.

The Municipality has embarked on implementing a range of revenue collection strategies to optimize the collection of debt owed by consumers.

National Treasury's MFMA Circular No. 64, 66 ,67,70, 72, 74 and 75 were used to guide the compilation of the budget 2015/16 to 2017/18 annual budget and MTREF.The planning of the budget involved consideration of all factors, which had far reaching implications on the annual budget of the municipality.

The 2015/16 – 2016/17 budget and medium-term revenue and expenditure framework was prepared on the basis of the following priorities, guidelines and assumptions:

#### **1. National priorities**

The national government's main priorities for the medium-term is services and social infrastructure development and job creation and therefore the focus and priorities of all spheres of government should be geared towards the achievement of this priorities.

As we prepare our next five year integrated development plan we need to ensure that our plans and budgets are redirected towards the achievements of these priorities. We need to continue to explore opportunities to mainstream labour intensive approaches to delivering services, and more particularly to participate fully in the Extended Public Works Programme.

The municipality should not just employ more people without any reference to the level of staffing required to deliver effective services, and what is financially sustainable over the medium term.

**The municipality ought to focus on maximizing its contribution to job creation by:**

- (a) Ensuring that service delivery and capital projects use labour intensive methods wherever appropriate;
- (b) Ensuring that service providers use labour intensive approaches;
- (c) Supporting labour intensive Local Economic Development projects;
- (d) Participating fully in the Extended Public Works Programme; and
- (e) Implementing interns programmes to provide young people with on-the-job training.

The municipality should also play a critical role in creating an enabling environment for investments and other activities that lead to job creation.

## Projected Revenue

|                                                                      | 2011/12         | 2012/13         | 2013/14         | Current Year 2014/15 |            |                 | Projections         |                        |                        |
|----------------------------------------------------------------------|-----------------|-----------------|-----------------|----------------------|------------|-----------------|---------------------|------------------------|------------------------|
|                                                                      | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget      | Adjustment | Adjusted Budget | Budget Year 2015/16 | Budget Year +1 2016/17 | Budget Year +2 2017/18 |
| <b>Revenue By Source</b>                                             |                 |                 |                 |                      |            |                 |                     |                        |                        |
| Own generated revenue                                                | 153,019         | 190,512         | 224,774         | 267,761              | -          | 267,761         | 329,905             | 342,677                | 359,103                |
| Transfers recognised – operational                                   | 60,864          | 65,471          | 73,626          | 88,490               | -          | 88,490          | 113,160             | 115,290                | 115,663                |
| Transfers recognised – capital                                       | 46,837          | 29,238          | 28,439          | 37,279               | -          | 37,279          | 36,492              | 37,560                 | 42,159                 |
| <b>Total Revenue (Including Capital Transfers and Contributions)</b> | <b>260,720</b>  | <b>285,221</b>  | <b>326,839</b>  | <b>393,530</b>       | <b>-</b>   | <b>393,530</b>  | <b>479,557</b>      | <b>495,527</b>         | <b>516,925</b>         |

The total projected revenue for budget year 2015/16 is R479, 557 million. The budgeted financing activities breakdown are as follows:

- Own generated revenue amount to R329,905 million.
- Operational transfers grants as per DoRA is R113,160 million
- And capital transfers grants of R36,492 million

Total revenue has grown by 22 per cent for the 2015/16 financial year compared to the 2014/15 Adjustments Budget. For the next two coming years, operational revenue will increase by 3 and 4 per cent respectively.

# Operational Budget

| Description                     | 2011/12         | 2012/13          | 2013/14         | Current Year 2014/15 |                 |                 | Projections         |                        |                        |
|---------------------------------|-----------------|------------------|-----------------|----------------------|-----------------|-----------------|---------------------|------------------------|------------------------|
|                                 | Audited Outcome | Audited Outcome  | Audited Outcome | Original Budget      | Adjustment      | Adjusted Budget | Budget Year 2015/16 | Budget Year +1 2016/17 | Budget Year +2 2017/18 |
| <b>Expenditure By Type</b>      |                 |                  |                 |                      |                 |                 |                     |                        |                        |
| Employee related costs          | 92 800          | 93 712           | 94 192          | 118 379              | 117 516         | 117 516         | 122 693             | 128 398                | 134 689                |
| Remuneration of councillors     | 9 054           | 9 052            | 10 492          | 12 855               | 12 085          | 12 085          | 12 811              | 13 579                 | 14 394                 |
| Debt impairment                 | —               | 108 991          | 2 691           | 31 558               | 31 558          | 31 558          | 33 326              | 34 925                 | 36 986                 |
| Depreciation & asset impairment | 74 449          | 69 182           | 61 010          | 74 909               | 74 909          | 74 909          | 70 104              | 73 469                 | 77 804                 |
| Finance charges                 | 434             | 226              | 128             | 848                  | 2 048           | 2 048           | 2 109               | 2 211                  | 2 341                  |
| Bulk purchases                  | 56 508          | 53 402           | 67 501          | 82 573               | 82 573          | 82 573          | 94 332              | 95 000                 | 96 000                 |
| Contracted services             | 17 648          | 10 096           | 26 056          | 45 536               | 49 485          | 49 485          | 52 256              | 54 765                 | 57 996                 |
| Other expenditure               | 66 174          | 53 460           | 70 427          | 72 160               | 77 003          | 77 003          | 82 362              | 86 267                 | 91 298                 |
| Loss on disposal of PPE         | —               | (86)             | (30)            | —                    | —               | —               | —                   | —                      | —                      |
| <b>Total Expenditure</b>        | <b>317 067</b>  | <b>398 036</b>   | <b>332 466</b>  | <b>438 819</b>       | <b>447 178</b>  | <b>447 178</b>  | <b>469 992</b>      | <b>488 614</b>         | <b>511 507</b>         |
| <b>Surplus/(Deficit)</b>        | <b>(82 811)</b> | <b>(109 157)</b> | <b>(2 529)</b>  | <b>(45 289)</b>      | <b>(53 648)</b> | <b>(53 648)</b> | <b>9565</b>         | <b>6914</b>            | <b>5418</b>            |

Annual Budget 2015/16

Total expenditure for the 2015/16 financial year amount to R469 million and a surplus of R9,6 million is anticipated. When compared to the 2014/15 Adjustments Budget, total operating expenditure has increased by 5 per cent in the 2015/16 budget and increased by 4 and 5 per cent for each of the respective outer years of the MTREF.

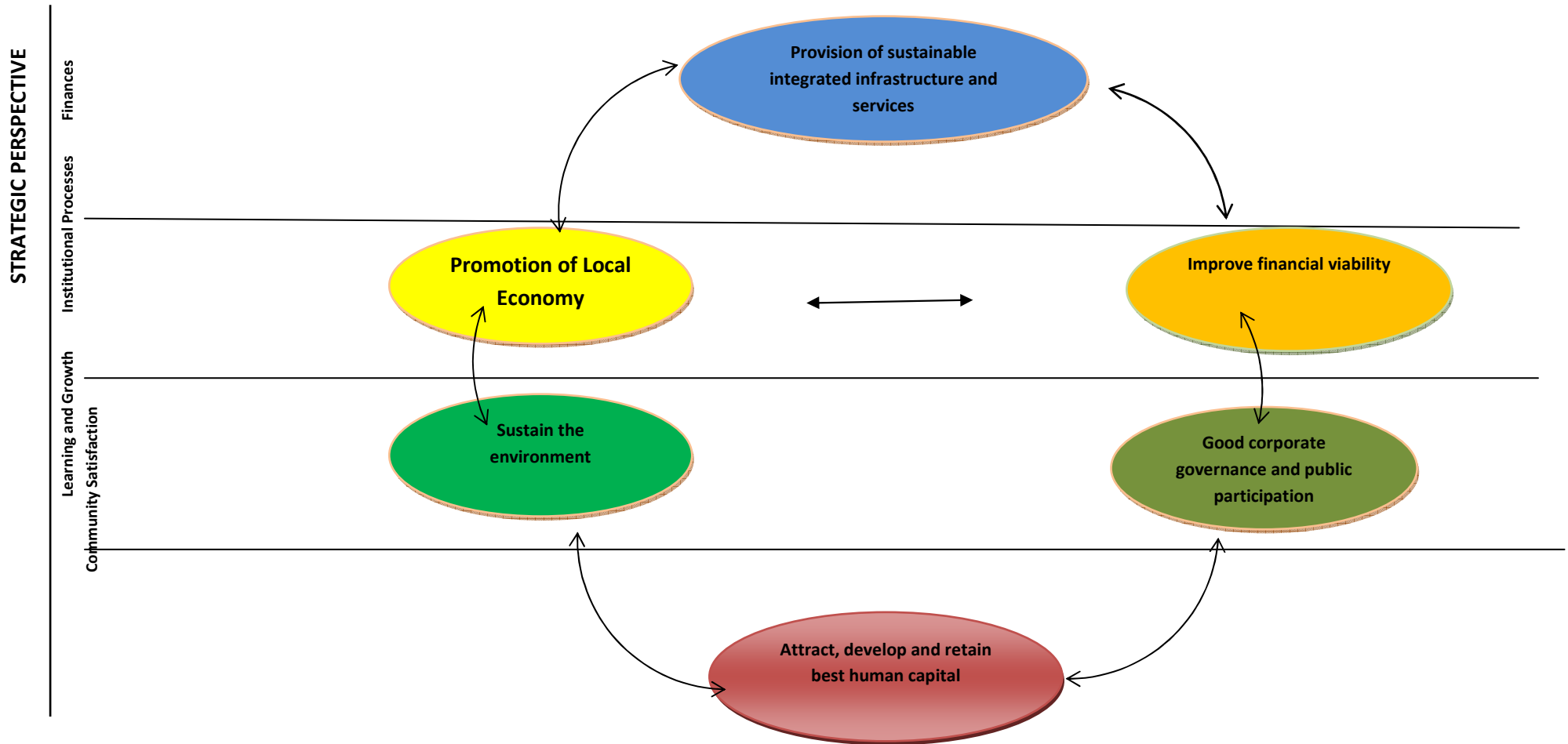
### **Capital Budget**

| <b>Capital Expenditure per funding</b> | <b>Budget Year<br/>2015/16</b> | <b>Budget Year +1<br/>2016/17</b> | <b>Budget Year +2<br/>2017/18</b> |
|----------------------------------------|--------------------------------|-----------------------------------|-----------------------------------|
| MIG                                    | 29,492                         | 30,560                            | 32,159                            |
| INEG                                   | 7,000                          | 7,000                             | 10,000                            |
| Own Funding                            | 17,300                         | 17,300                            | 17,300                            |
| <b>Total Capital Expenditure</b>       | <b>53,792</b>                  | <b>54,860</b>                     | <b>59,459</b>                     |

The capital budget for 2015/16 amounts to **R53,792** million. It is projected to increase by 2 and 8 per cent for each of the respective outer years. The total capital expenditure will be funded by grants & subsidies and internally generated funds.



**PROVISION OF QUALITY SERVICES FOR COMMUNITY WELL-BEING AND TOURISM DEVELOPMENT  
THE HOME OF MARULA AND WILDLIFE TOURIM**



## 4. ANNUAL BUDGET TABLES

#### 4.1. BUDGET SUMMARY

LIM334 Ba-Phalaborwa - Table A1 Budget Summary

| Description<br>R thousands                                           | 2011/12         | 2012/13         | 2013/14         | Current Year 2014/15 |                 |                    |                   | 2015/16 Medium Term Revenue & Expenditure Framework |                        |                        |
|----------------------------------------------------------------------|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|-------------------|-----------------------------------------------------|------------------------|------------------------|
|                                                                      | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget      | Adjusted Budget | Full Year Forecast | Pre-audit outcome | Budget Year 2015/16                                 | Budget Year +1 2016/17 | Budget Year +2 2017/18 |
| <b>Financial Performance</b>                                         |                 |                 |                 |                      |                 |                    |                   |                                                     |                        |                        |
| Property rates                                                       | 34 049          | 60 257          | 57 239          | 70 634               | 70 634          | 70 634             | 70 634            | 124 589                                             | 130 569                | 138 273                |
| Service charges                                                      | 73 480          | 79 414          | 93 504          | 106 664              | 106 664         | 106 664            | 106 664           | 117 637                                             | 123 284                | 130 557                |
| Investment revenue                                                   | 177             | 332             | 359             | 260                  | 260             | 260                | 260               | 275                                                 | 288                    | 305                    |
| Transfers recognised - operational                                   | 60 864          | 65 471          | 73 626          | 88 490               | 88 490          | 88 490             | 88 490            | 113 160                                             | 115 290                | 115 663                |
| Other own revenue                                                    | 45 313          | 50 508          | 73 672          | 90 204               | 90 204          | 90 204             | 90 204            | 87 404                                              | 88 537                 | 89 968                 |
| <b>Total Revenue (excluding capital transfers and contributions)</b> | 213 883         | 255 983         | 298 400         | 356 251              | 356 251         | 356 251            | 356 251           | 443 065                                             | 457 967                | 474 766                |
| Employee costs                                                       | 92 800          | 93 712          | 94 192          | 118 379              | 117 516         | 117 516            | 117 516           | 122 693                                             | 128 398                | 134 689                |
| Remuneration of councillors                                          | 9 054           | 9 052           | 10 492          | 12 855               | 12 085          | 12 085             | 12 085            | 12 811                                              | 13 579                 | 14 394                 |
| Depreciation & asset impairment                                      | 74 449          | 69 182          | 61 010          | 74 909               | 74 909          | 74 909             | 74 909            | 70 104                                              | 73 469                 | 77 804                 |
| Finance charges                                                      | 434             | 226             | 128             | 848                  | 2 048           | 2 048              | 2 048             | 2 109                                               | 2 211                  | 2 341                  |
| Materials and bulk purchases                                         | 56 508          | 53 402          | 67 501          | 82 573               | 82 573          | 82 573             | 82 573            | 94 332                                              | 95 000                 | 96 000                 |
| Transfers and grants                                                 | –               | –               | –               | –                    | –               | –                  | –                 | –                                                   | –                      | –                      |
| Other expenditure                                                    | 83 822          | 172 461         | 99 144          | 149 254              | 158 047         | 158 047            | 158 047           | 167 944                                             | 175 957                | 186 279                |
| <b>Total Expenditure</b>                                             | 317 067         | 398 036         | 332 466         | 438 819              | 447 178         | 447 178            | 447 178           | 469 992                                             | 488 614                | 511 507                |
| <b>Surplus/(Deficit)</b>                                             | (103 185)       | (142 052)       | (34 066)        | (82 567)             | (90 926)        | (90 926)           | (90 926)          | (26 927)                                            | (30 646)               | (36 741)               |
| Transfers recognised - capital                                       | 20 374          | 32 895          | 31 537          | 37 279               | 37 279          | 37 279             | 37 279            | 36 492                                              | 37 560                 | 42 159                 |
| Contributions recognised - capital & contributed assets              | –               | –               | –               | –                    | –               | –                  | –                 | –                                                   | –                      | –                      |
| <b>Surplus/(Deficit) after capital transfers &amp; contributions</b> | (82 811)        | (109 157)       | (2 529)         | (45 289)             | (53 648)        | (53 648)           | (53 648)          | 9 565                                               | 6 914                  | 5 418                  |
| Share of surplus/ (deficit) of associate                             | –               | –               | –               | –                    | –               | –                  | –                 | –                                                   | –                      | –                      |
| <b>Surplus/(Deficit) for the year</b>                                | (82 811)        | (109 157)       | (2 529)         | (45 289)             | (53 648)        | (53 648)           | (53 648)          | 9 565                                               | 6 914                  | 5 418                  |
| <b>Capital expenditure &amp; funds sources</b>                       |                 |                 |                 |                      |                 |                    |                   |                                                     |                        |                        |
| <b>Capital expenditure</b>                                           | 46 837          | 42 949          | 49 569          | 61 179               | 54 279          | 54 279             | 54 279            | 53 792                                              | 54 860                 | 59 459                 |
| Transfers recognised - capital                                       | 46 837          | 29 238          | 28 439          | 37 279               | 37 279          | 37 279             | 37 279            | 36 492                                              | 37 560                 | 42 159                 |
| Public contributions & donations                                     | –               | –               | 9 365           | –                    | –               | –                  | –                 | –                                                   | –                      | –                      |
| Borrowing                                                            | –               | –               | –               | –                    | –               | –                  | –                 | –                                                   | –                      | –                      |

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|                                                      |                  |                  |                  |               |               |               |               |               |               |               |
|------------------------------------------------------|------------------|------------------|------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Internally generated funds                           | –                | 13 711           | 11 766           | 23 900        | 17 000        | 17 000        | 17 000        | 17 300        | 17 300        | 17 300        |
| <b>Total sources of capital funds</b>                | <b>46 837</b>    | <b>42 949</b>    | <b>49 569</b>    | <b>61 179</b> | <b>54 279</b> | <b>54 279</b> | <b>54 279</b> | <b>53 792</b> | <b>54 860</b> | <b>59 459</b> |
| <b><u>Financial position</u></b>                     |                  |                  |                  |               |               |               |               |               |               |               |
| Total current assets                                 | 159 157          | 56 845           | 284 875          | 171 542       | 169 932       | 169 932       | 169 932       | 184 644       | 160 722       | 168 967       |
| Total non current assets                             | 1 120 753        | 1 057 189        | 1 051 575        | 1 284 539     | 1 277 639     | 1 277 639     | 1 277 639     | 1 360 832     | 1 436 991     | 1 513 131     |
| Total current liabilities                            | 322 232          | 373 494          | 392 588          | 1 500         | 1 500         | 1 500         | 1 500         | 6 741         | 7 005         | 7 283         |
| Total non current liabilities                        | 36 618           | 33 736           | 50 157           | 230 000       | 230 000       | 230 000       | 230 000       | 198 000       | 166 000       | 144 000       |
| Community wealth/Equity                              | 921 060          | 706 805          | 893 704          | 1 224 581     | 1 216 071     | 1 216 071     | 1 216 071     | 1 340 735     | 1 424 709     | 1 530 815     |
| <b><u>Cash flows</u></b>                             |                  |                  |                  |               |               |               |               |               |               |               |
| Net cash from (used) operating                       | 25 939           | 43 315           | 88 726           | 51 306        | 27 501        | 27 501        | 27 501        | 54 592        | 59 337        | 60 987        |
| Net cash from (used) investing                       | (39 987)         | (42 949)         | (102 469)        | (51 179)      | (47 179)      | (47 179)      | (47 179)      | (53 792)      | (54 860)      | (59 459)      |
| Net cash from (used) financing                       | 11 113           | (941)            | (6 131)          | –             | 20 000        | 20 000        | 20 000        | –             | –             | –             |
| <b>Cash/cash equivalents at the year end</b>         | <b>2 642</b>     | <b>2 066</b>     | <b>(17 807)</b>  | <b>2 227</b>  | <b>813</b>    | <b>813</b>    | <b>813</b>    | <b>1 612</b>  | <b>6 089</b>  | <b>7 617</b>  |
| <b><u>Cash backing/surplus reconciliation</u></b>    |                  |                  |                  |               |               |               |               |               |               |               |
| Cash and investments available                       | (20 895)         | 2 066            | (17 807)         | 3 600         | 1 990         | 1 990         | 1 990         | 3 312         | 7 889         | 9 467         |
| Application of cash and investments                  | 257 944          | 356 136          | 301 790          | (41 837)      | (41 837)      | (41 837)      | (41 837)      | (13 453)      | (10 288)      | (10 918)      |
| <b>Balance - surplus (shortfall)</b>                 | <b>(278 839)</b> | <b>(354 070)</b> | <b>(319 597)</b> | <b>45 437</b> | <b>43 827</b> | <b>43 827</b> | <b>43 827</b> | <b>16 765</b> | <b>18 177</b> | <b>20 385</b> |
| <b><u>Asset management</u></b>                       |                  |                  |                  |               |               |               |               |               |               |               |
| Asset register summary (WDV)                         | 65 337           | 1 160 515        | 1 051 575        | 1 284 539     | 1 277 639     | 1 277 639     | 1 360 832     | 1 360 832     | 1 436 991     | 1 513 131     |
| Depreciation & asset impairment                      | 74 449           | 69 182           | 61 010           | 74 909        | 74 909        | 74 909        | 70 104        | 70 104        | 73 469        | 77 804        |
| Renewal of Existing Assets                           | –                | –                | –                | –             | –             | –             | –             | –             | –             | –             |
| Repairs and Maintenance                              | –                | –                | 17 400           | 19 291        | 20 202        | 20 202        | 21 333        | 21 333        | 22 357        | 23 676        |
| <b><u>Free services</u></b>                          |                  |                  |                  |               |               |               |               |               |               |               |
| Cost of Free Basic Services provided                 | –                | –                | –                | –             | –             | –             | –             | –             | –             | –             |
| Revenue cost of free services provided               | –                | –                | –                | –             | –             | –             | –             | –             | –             | –             |
| <b><u>Households below minimum service level</u></b> |                  |                  |                  |               |               |               |               |               |               |               |
| Water:                                               | 0                | 0                | 0                | 0             | 0             | 0             | 0             | 0             | 0             | 0             |
| Sanitation/sewerage:                                 | 7                | 7                | 6                | 6             | 6             | 6             | 6             | 6             | 6             | 6             |
| Energy:                                              | –                | –                | –                | –             | –             | –             | –             | –             | –             | –             |
| Refuse:                                              | –                | –                | 21               | 21            | 21            | 21            | 21            | 21            | 21            | 21            |

## NOTES

- Total Revenue excluding capital transfers and contributions is estimated at R 443 million for 2015/16 financial year , R458 million and R475 million for the year 2016/17 and 2017/18 respectively.
- Total Expenditure is estimated at R469 million for 2015/16 financial year.
- A municipal operating budget shows a surplus of R 9,6 million after capital transfers & contributions for 2015/16 financial year.
- Total Capital budget for the financial year 2015/16 is estimated to be R53,792 million, which comprises of R36,4 million from Capital transfers Grants and R 17,3 million funded internally.

## 4.2. BUDGETED FINANCIAL PERFORMANCE

LIM334 Ba-Phalaborwa - Table A2 Budgeted Financial Performance (revenue and expenditure by standard classification)

| Standard Classification Description        | Ref | 2011/12         | 2012/13         | 2013/14         | Current Year 2014/15 |                 |                    | 2015/16 Medium Term Revenue & Expenditure Framework |                        |                        |
|--------------------------------------------|-----|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|-----------------------------------------------------|------------------------|------------------------|
| R thousand                                 | 1   | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget      | Adjusted Budget | Full Year Forecast | Budget Year 2015/16                                 | Budget Year +1 2016/17 | Budget Year +2 2017/18 |
| <b>Revenue - Standard</b>                  |     |                 |                 |                 |                      |                 |                    |                                                     |                        |                        |
| <b>Governance and administration</b>       |     | 137 732         | 170 792         | 185 361         | 231 995              | 231 995         | 231 995            | 306 962                                             | 316 595                | 325 063                |
| Executive and council                      |     | 34 049          | –               | –               | –                    | –               | –                  | –                                                   | –                      | –                      |
| Budget and treasury office                 |     | 100 857         | 170 288         | 185 133         | 231 665              | 231 665         | 231 665            | 306 613                                             | 316 229                | 324 676                |
| Corporate services                         |     | 2 826           | 504             | 228             | 330                  | 330             | 330                | 349                                                 | 365                    | 387                    |
| <b>Community and public safety</b>         |     | 1 908           | 4 777           | 15 844          | 14 186               | 14 186          | 14 186             | 14 980                                              | 15 699                 | 16 626                 |
| Community and social services              |     | 1 908           | 3 906           | 13 324          | 11 565               | 11 565          | 11 565             | 12 213                                              | 12 799                 | 13 554                 |
| Public safety                              |     | –               | 871             | 2 520           | 2 621                | 2 621           | 2 621              | 2 767                                               | 2 900                  | 3 071                  |
| <b>Economic and environmental services</b> |     | 18 765          | 29 895          | 35 228          | 31 685               | 31 685          | 31 685             | 32 978                                              | 32 949                 | 34 679                 |
| Planning and development                   |     | –               | –               | 170             | –                    | –               | –                  | –                                                   | –                      | –                      |
| Road transport                             |     | 18 765          | 29 895          | 35 058          | 31 685               | 31 685          | 31 685             | 32 978                                              | 32 949                 | 34 679                 |
| <b>Trading services</b>                    |     | 75 851          | 83 414          | 93 504          | 115 664              | 115 664         | 115 664            | 124 637                                             | 130 284                | 140 557                |
| Electricity                                |     | 66 871          | 74 292          | 83 082          | 104 327              | 104 327         | 104 327            | 112 666                                             | 117 738                | 127 271                |
| Waste management                           |     | 8 980           | 9 123           | 10 422          | 11 337               | 11 337          | 11 337             | 11 971                                              | 12 546                 | 13 286                 |
| <b>Total Revenue - Standard</b>            | 2   | 234 257         | 288 879         | 329 937         | 393 530              | 393 530         | 393 530            | 479 557                                             | 495 527                | 516 925                |
| <b>Expenditure - Standard</b>              | -   |                 |                 |                 |                      |                 |                    |                                                     |                        |                        |
| <b>Governance and administration</b>       |     | 158 268         | 194 353         | 118 171         | 166 186              | 172 928         | 172 928            | 183 063                                             | 191 878                | 202 610                |
| Executive and council                      |     | 19 932          | 25 772          | 21 384          | 36 507               | 41 970          | 41 970             | 44 222                                              | 46 479                 | 49 102                 |
| Budget and treasury office                 |     | 112 591         | 144 420         | 65 928          | 87 451               | 86 700          | 86 700             | 91 301                                              | 95 650                 | 101 061                |
| Corporate services                         |     | 25 745          | 24 160          | 30 860          | 42 227               | 44 257          | 44 257             | 47 540                                              | 49 749                 | 52 447                 |
| <b>Community and public safety</b>         |     | 38 706          | 33 767          | 34 400          | 58 282               | 55 451          | 55 451             | 58 121                                              | 60 854                 | 64 049                 |
| Community and social services              |     | 30 841          | 25 244          | 21 246          | 46 217               | 44 655          | 44 655             | 46 819                                              | 49 022                 | 51 607                 |
| Public safety                              |     | 7 865           | 8 523           | 13 154          | 12 066               | 10 796          | 10 796             | 11 303                                              | 11 832                 | 12 442                 |
| <b>Economic and environmental services</b> |     | 46 650          | 90 450          | 80 758          | 101 776              | 100 996         | 100 996            | 97 404                                              | 102 048                | 107 843                |
| Planning and development                   |     | 7 073           | 7 038           | 8 249           | 17 094               | 16 934          | 16 934             | 17 791                                              | 18 634                 | 19 650                 |
| Road transport                             |     | 39 578          | 83 412          | 72 509          | 84 682               | 84 062          | 84 062             | 79 613                                              | 83 414                 | 88 193                 |
| <b>Trading services</b>                    |     | 73 443          | 79 467          | 99 136          | 112 575              | 117 803         | 117 803            | 131 403                                             | 133 834                | 137 006                |
| Electricity                                |     | 70 866          | 75 856          | 91 855          | 107 174              | 111 063         | 111 063            | 124 296                                             | 126 387                | 129 129                |
| Waste management                           |     | 2 577           | 3 611           | 7 281           | 5 401                | 6 740           | 6 740              | 7 107                                               | 7 447                  | 7 876                  |
| <b>Total Expenditure - Standard</b>        | 3   | 317 067         | 398 036         | 332 466         | 438 819              | 447 178         | 447 178            | 469 992                                             | 488 614                | 511 507                |
| <b>Surplus/(Deficit) for the year</b>      |     | (82 811)        | (109 157)       | (2 529)         | (45 289)             | (53 648)        | (53 648)           | 9 565                                               | 6 914                  | 5 418                  |

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## NOTES

- Table A2 is a view of the budgeted financial performance in relation to revenue and expenditure per standard classification.
- Total Revenue by Standard Classification amount to R479 million for the financial year 2015/16 and total operating expenditure by Standard Classification is estimated at R469 million.
- It must be noted that the Total Revenue on this table includes capital revenues (Transfers recognised – capital)
- The estimated municipality surplus is R9,6 million for the financial year 2015/16.

#### 4.3. BUDGETED FINANCIAL PERFORMANCE BY MUNICIPAL VOTE

LIM334 Ba-Phalaborwa - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)

| Vote Description<br>R thousand                | Ref | 2011/12         | 2012/13          | 2013/14         | Current Year 2014/15 |                 |                    | 2015/16 Medium Term Revenue & Expenditure Framework |                        |                        |
|-----------------------------------------------|-----|-----------------|------------------|-----------------|----------------------|-----------------|--------------------|-----------------------------------------------------|------------------------|------------------------|
|                                               |     | Audited Outcome | Audited Outcome  | Audited Outcome | Original Budget      | Adjusted Budget | Full Year Forecast | Budget Year 2015/16                                 | Budget Year +1 2016/17 | Budget Year +2 2017/18 |
| <b>Revenue by Vote</b>                        | 1   |                 |                  |                 |                      |                 |                    |                                                     |                        |                        |
| Executive and Council                         |     | 34 049          | –                | –               | –                    | –               | –                  | –                                                   | –                      | –                      |
| Budget and Treasury Department                |     | 100 857         | 170 288          | 185 133         | 231 665              | 231 665         | 231 665            | 306 613                                             | 316 229                | 324 676                |
| Corporate Services                            |     | 2 826           | 504              | 228             | 330                  | 330             | 330                | 349                                                 | 365                    | 387                    |
| Community and Social Services                 |     | 10 888          | 13 899           | 26 267          | 25 522               | 25 522          | 25 522             | 26 952                                              | 28 245                 | 29 912                 |
| Planning and Development                      |     | –               | –                | 170             | –                    | –               | –                  | –                                                   | –                      | –                      |
| Technical Services Department                 |     | 85 637          | 104 187          | 118 140         | 136 012              | 136 012         | 136 012            | 145 643                                             | 150 687                | 161 950                |
| <b>Total Revenue by Vote</b>                  | 2   | <b>234 257</b>  | <b>288 879</b>   | <b>329 937</b>  | <b>393 530</b>       | <b>393 530</b>  | <b>393 530</b>     | <b>479 557</b>                                      | <b>495 527</b>         | <b>516 925</b>         |
| <b>Expenditure by Vote to be appropriated</b> | 1   |                 |                  |                 |                      |                 |                    |                                                     |                        |                        |
| Executive and Council                         |     | 19 932          | 25 772           | 21 384          | 36 507               | 41 970          | 41 970             | 44 222                                              | 46 479                 | 49 102                 |
| Budget and Treasury Department                |     | 112 591         | 144 420          | 65 928          | 87 451               | 86 700          | 86 700             | 91 301                                              | 95 650                 | 101 061                |
| Corporate Services                            |     | 25 745          | 24 160           | 30 860          | 42 227               | 44 257          | 44 257             | 47 540                                              | 49 749                 | 52 447                 |
| Community and Social Services                 |     | 41 284          | 37 378           | 34 400          | 63 683               | 62 191          | 62 191             | 65 228                                              | 68 301                 | 71 925                 |
| Planning and Development                      |     | 7 073           | 7 038            | 8 249           | 17 094               | 16 934          | 16 934             | 17 791                                              | 18 634                 | 19 650                 |
| Technical Services Department                 |     | 110 443         | 159 269          | 164 364         | 191 856              | 195 125         | 195 125            | 203 909                                             | 209 801                | 217 322                |
| <b>Total Expenditure by Vote</b>              | 2   | <b>317 067</b>  | <b>398 036</b>   | <b>332 466</b>  | <b>438 819</b>       | <b>447 178</b>  | <b>447 178</b>     | <b>469 992</b>                                      | <b>488 614</b>         | <b>511 507</b>         |
| <b>Surplus/(Deficit) for the year</b>         | 2   | <b>(82 811)</b> | <b>(109 157)</b> | <b>(2 529)</b>  | <b>(45 289)</b>      | <b>(53 648)</b> | <b>(53 648)</b>    | <b>9 565</b>                                        | <b>6 914</b>           | <b>5 418</b>           |

#### Notes

- Table A3 is a view of the budgeted financial performance in relation to the revenue and expenditure per municipal vote.
- Total Revenue by Municipal Vote is R479 million for the year 2015/16 and total Expenditure by Vote is estimated to be R469 million
- And as a results, a municipality surplus amount to R9,6 million for 2015/16 financial year.



#### 4.4. BUDGETED MUNICIPAL PERFORMANCE REVENUE AND EXPENDITURE

LIM334 Ba-Phalaborwa - Table A4 Budgeted Financial Performance (revenue and expenditure)

| Description                                                          | Ref  | 2011/12         | 2012/13         | 2013/14         | Current Year 2014/15 |                 |                    |                   | 2015/16 Medium Term Revenue & Expenditure Framework |                        |                        |
|----------------------------------------------------------------------|------|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|-------------------|-----------------------------------------------------|------------------------|------------------------|
| R thousand                                                           | 1    | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget      | Adjusted Budget | Full Year Forecast | Pre-audit outcome | Budget Year 2015/16                                 | Budget Year +1 2016/17 | Budget Year +2 2017/18 |
| <b>Revenue By Source</b>                                             |      |                 |                 |                 |                      |                 |                    |                   |                                                     |                        |                        |
| Property rates                                                       | 2    | 34 049          | 60 257          | 57 239          | 70 634               | 70 634          | 70 634             | 70 634            | 124 589                                             | 130 569                | 138 273                |
| Service charges - electricity revenue                                | 2    | 64 500          | 70 292          | 83 082          | 95 327               | 95 327          | 95 327             | 95 327            | 105 666                                             | 110 738                | 117 271                |
| Service charges - refuse revenue                                     | 2    | 8 980           | 9 123           | 10 422          | 11 337               | 11 337          | 11 337             | 11 337            | 11 971                                              | 12 546                 | 13 286                 |
| Rental of facilities and equipment                                   |      | 200             | 295             | 228             | 330                  | 330             | 330                | 330               | 346                                                 | 362                    | 384                    |
| Interest earned - external investments                               |      | 177             | 332             | 359             | 260                  | 260             | 260                | 260               | 275                                                 | 288                    | 305                    |
| Interest earned - outstanding debtors                                |      | 41 117          | 42 369          | 55 541          | 74 644               | 74 644          | 74 644             | 74 644            | 70 973                                              | 71 316                 | 71 732                 |
| Dividends received                                                   |      |                 |                 |                 | 3                    | 3               | 3                  | 3                 | 3                                                   | 3                      | 3                      |
| Fines                                                                |      | 426             | 871             | 2 826           | 2 600                | 2 600           | 2 600              | 2 600             | 2 917                                               | 3 057                  | 3 238                  |
| Licences and permits                                                 |      | 1 482           | 2 375           | 3 121           | 9 021                | 9 021           | 9 021              | 9 021             | 9 399                                               | 9 850                  | 10 432                 |
| Agency services                                                      |      | 560             | 1 531           | 9 665           | 2 255                | 2 255           | 2 255              | 2 255             | 2 381                                               | 2 496                  | 2 643                  |
| Transfers recognised - operational                                   |      | 60 864          | 65 471          | 73 626          | 88 490               | 88 490          | 88 490             | 88 490            | 113 160                                             | 115 290                | 115 663                |
| Other revenue                                                        | 2    | 1 528           | 3 068           | 2 291           | 1 352                | 1 352           | 1 352              | 1 352             | 1 385                                               | 1 452                  | 1 537                  |
| <b>Total Revenue (excluding capital transfers and contributions)</b> |      | <b>213 883</b>  | <b>255 983</b>  | <b>298 400</b>  | <b>356 251</b>       | <b>356 251</b>  | <b>356 251</b>     | <b>356 251</b>    | <b>443 065</b>                                      | <b>457 967</b>         | <b>474 766</b>         |
| <b>Expenditure By Type</b>                                           |      |                 |                 |                 |                      |                 |                    |                   |                                                     |                        |                        |
| Employee related costs                                               | 2    | 92 800          | 93 712          | 94 192          | 118 379              | 117 516         | 117 516            | 117 516           | 122 693                                             | 128 398                | 134 689                |
| Remuneration of councillors                                          |      | 9 054           | 9 052           | 10 492          | 12 855               | 12 085          | 12 085             | 12 085            | 12 811                                              | 13 579                 | 14 394                 |
| Debt impairment                                                      | 3    | –               | 108 991         | 2 691           | 31 558               | 31 558          | 31 558             | 31 558            | 33 326                                              | 34 925                 | 36 986                 |
| Depreciation & asset impairment                                      | 2    | 74 449          | 69 182          | 61 010          | 74 909               | 74 909          | 74 909             | 74 909            | 70 104                                              | 73 469                 | 77 804                 |
| Finance charges                                                      |      | 434             | 226             | 128             | 848                  | 2 048           | 2 048              | 2 048             | 2 109                                               | 2 211                  | 2 341                  |
| Bulk purchases                                                       | 2    | 56 508          | 53 402          | 67 501          | 82 573               | 82 573          | 82 573             | 82 573            | 94 332                                              | 95 000                 | 96 000                 |
| Contracted services                                                  |      | 17 648          | 10 096          | 26 056          | 45 536               | 49 485          | 49 485             | 49 485            | 52 256                                              | 54 765                 | 57 996                 |
| Transfers and grants                                                 |      | –               | –               | –               | –                    | –               | –                  | –                 | –                                                   | –                      | –                      |
| Other expenditure                                                    | 4, 5 | 66 174          | 53 460          | 70 427          | 72 160               | 77 003          | 77 003             | 77 003            | 82 362                                              | 86 267                 | 91 298                 |
| Loss on disposal of PPE                                              |      |                 | (86)            | (30)            |                      |                 |                    |                   |                                                     |                        |                        |
| <b>Total Expenditure</b>                                             |      | <b>317 067</b>  | <b>398 036</b>  | <b>332 466</b>  | <b>438 819</b>       | <b>447 178</b>  | <b>447 178</b>     | <b>447 178</b>    | <b>469 992</b>                                      | <b>488 614</b>         | <b>511 507</b>         |

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|                                                                      |  |                  |                  |                 |                 |                 |                 |                 |                 |                 |                 |
|----------------------------------------------------------------------|--|------------------|------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| <b>Surplus/(Deficit)</b>                                             |  | <b>(103 185)</b> | <b>(142 052)</b> | <b>(34 066)</b> | <b>(82 567)</b> | <b>(90 926)</b> | <b>(90 926)</b> | <b>(90 926)</b> | <b>(26 927)</b> | <b>(30 646)</b> | <b>(36 741)</b> |
| Transfers recognised - capital                                       |  | 20 374           | 32 895           | 31 537          | 37 279          | 37 279          | 37 279          | 37 279          | 36 492          | 37 560          | 42 159          |
|                                                                      |  | <b>(82 811)</b>  | <b>(109 157)</b> | <b>(2 529)</b>  | <b>(45 289)</b> | <b>(53 648)</b> | <b>(53 648)</b> | <b>(53 648)</b> | <b>9 565</b>    | <b>6 914</b>    | <b>5 418</b>    |
| <b>Surplus/(Deficit) after capital transfers &amp; contributions</b> |  |                  |                  |                 |                 |                 |                 |                 |                 |                 |                 |
| Taxation                                                             |  |                  |                  |                 |                 |                 |                 |                 |                 |                 |                 |
| <b>Surplus/(Deficit) after taxation</b>                              |  | <b>(82 811)</b>  | <b>(109 157)</b> | <b>(2 529)</b>  | <b>(45 289)</b> | <b>(53 648)</b> | <b>(53 648)</b> | <b>(53 648)</b> | <b>9 565</b>    | <b>6 914</b>    | <b>5 418</b>    |
| Attributable to minorities                                           |  |                  |                  |                 |                 |                 |                 |                 |                 |                 |                 |
| <b>Surplus/(Deficit) attributable to municipality</b>                |  | <b>(82 811)</b>  | <b>(109 157)</b> | <b>(2 529)</b>  | <b>(45 289)</b> | <b>(53 648)</b> | <b>(53 648)</b> | <b>(53 648)</b> | <b>9 565</b>    | <b>6 914</b>    | <b>5 418</b>    |
| <b>Surplus/(Deficit) for the year</b>                                |  | <b>(82 811)</b>  | <b>(109 157)</b> | <b>(2 529)</b>  | <b>(45 289)</b> | <b>(53 648)</b> | <b>(53 648)</b> | <b>(53 648)</b> | <b>9 565</b>    | <b>6 914</b>    | <b>5 418</b>    |

## Notes

- Total Revenue (excluding capital transfers and contributions) is R443 million for 2015/16 financial year and escalates to R458 million for 2016/17 financial year and R475 million for 2017/18 financial year.
- Revenue to be generated from property rate is estimated at R125 million in 2015/16 financial year and increases to R131 million in 2016/17.
- Services charges relating to electricity, and refuse removal totaling to R106 million and R11 million respectively for 2015/16 financial year
- Transfers recognised – operating grants includes the local government equitable share which shows an increase for the two outer years.
- Total operational expenditure is estimated to be R469 million for 2015/16 FY, and the municipality is anticipating a surplus of R9,6 million.

#### 4.5. BUDGETED CAPITAL EXPENDITURE BY VOTE

LIM334 Ba-Phalaborwa - Table A5 Budgeted Capital Expenditure by vote, standard classification and funding

| Vote Description                                  | Ref | 2011/12         | 2012/13         | 2013/14         | Current Year 2014/15 |                 |                    |                   | 2015/16 Medium Term Revenue & Expenditure Framework |                        |                        |
|---------------------------------------------------|-----|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|-------------------|-----------------------------------------------------|------------------------|------------------------|
| R thousand                                        | 1   | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget      | Adjusted Budget | Full Year Forecast | Pre-audit outcome | Budget Year 2015/16                                 | Budget Year +1 2016/17 | Budget Year +2 2017/18 |
| <b>Capital expenditure - Vote</b>                 |     |                 |                 |                 |                      |                 |                    |                   |                                                     |                        |                        |
| <b>Single-year expenditure to be appropriated</b> | 2   |                 |                 |                 |                      |                 |                    |                   |                                                     |                        |                        |
| Vote 1 - Executive and Council                    |     | -               | -               | -               | -                    | -               | -                  | -                 | -                                                   | -                      | -                      |
| Vote 2 - Budget and Treasury Department           |     | 4,258           | -               | -               | -                    | -               | -                  | -                 | -                                                   | -                      | -                      |
| Vote 3 - Corporate Services                       |     | 12,621          | 3,398           | 3,398           | 4,500                | 3,700           | 3,700              | 3,700             | 5,700                                               | 5,700                  | 5,700                  |
| Vote 4 - Community and Social Services            |     | -               | 1,711           | 8,330           | 1,600                | -               | -                  | -                 | -                                                   | -                      | -                      |
| Vote 5 - Planning and Development                 |     | -               | -               | 6,124           | -                    | -               | -                  | -                 | -                                                   | -                      | -                      |
| Vote 6 - Technical Services Department            |     | 29,958          | 37,840          | 31,716          | 55,079               | 50,579          | 50,579             | 50,579            | 48,092                                              | 49,160                 | 53,759                 |
| 0                                                 |     | -               | -               | -               | -                    | -               | -                  | -                 | -                                                   | -                      | -                      |
| <b>Capital single-year expenditure sub-total</b>  |     | <b>46,837</b>   | <b>42,949</b>   | <b>49,569</b>   | <b>61,179</b>        | <b>54,279</b>   | <b>54,279</b>      | <b>54,279</b>     | <b>53,792</b>                                       | <b>54,860</b>          | <b>59,459</b>          |
| <b>Total Capital Expenditure - Vote</b>           |     | <b>46,837</b>   | <b>42,949</b>   | <b>49,569</b>   | <b>61,179</b>        | <b>54,279</b>   | <b>54,279</b>      | <b>54,279</b>     | <b>53,792</b>                                       | <b>54,860</b>          | <b>59,459</b>          |
| <b>Capital Expenditure - Standard</b>             |     |                 |                 |                 |                      |                 |                    |                   |                                                     |                        |                        |
| <b>Governance and administration</b>              |     | <b>16,879</b>   | <b>3,398</b>    | <b>3,398</b>    | <b>4,500</b>         | <b>3,700</b>    | <b>3,700</b>       | <b>3,700</b>      | <b>5,700</b>                                        | <b>5,700</b>           | <b>5,700</b>           |
| Budget and treasury office                        |     | 4,258           | -               | -               | -                    | -               | -                  | -                 | -                                                   | -                      | -                      |
| Corporate services                                |     | 12,621          | 3,398           | 3,398           | 4,500                | 3,700           | 3,700              | 3,700             | 5,700                                               | 5,700                  | 5,700                  |
| <b>Community and public safety</b>                |     | <b>-</b>        | <b>1,711</b>    | <b>8,330</b>    | <b>1,600</b>         | <b>-</b>        | <b>-</b>           | <b>-</b>          | <b>-</b>                                            | <b>-</b>               | <b>-</b>               |
| Community and social services                     |     | -               | 1,711           | 8,330           | 1,000                | -               | -                  | -                 | -                                                   | -                      | -                      |
| Public safety                                     |     | -               | -               | 600             | -                    | -               | -                  | -                 | -                                                   | -                      | -                      |
| <b>Economic and environmental services</b>        |     | <b>20,235</b>   | <b>26,169</b>   | <b>37,840</b>   | <b>27,279</b>        | <b>27,079</b>   | <b>27,079</b>      | <b>27,079</b>     | <b>35,492</b>                                       | <b>36,560</b>          | <b>38,159</b>          |
| Planning and development                          |     | -               | -               | 6,124           | -                    | -               | -                  | -                 | -                                                   | -                      | -                      |
| Road transport                                    |     | 20,235          | 26,169          | 31,716          | 27,279               | 27,079          | 27,079             | 27,079            | 35,492                                              | 36,560                 | 38,159                 |
| <b>Trading services</b>                           |     | <b>9,723</b>    | <b>11,672</b>   | <b>-</b>        | <b>27,800</b>        | <b>23,500</b>   | <b>23,500</b>      | <b>23,500</b>     | <b>12,600</b>                                       | <b>12,600</b>          | <b>15,600</b>          |
| Electricity                                       |     | 9,723           | 11,672          | -               | 27,800               | 23,500          | 23,500             | 23,500            | 12,600                                              | 12,600                 | 15,600                 |
| <b>Other</b>                                      |     | <b>-</b>        | <b>-</b>        | <b>-</b>        | <b>-</b>             | <b>-</b>        | <b>-</b>           | <b>-</b>          | <b>-</b>                                            | <b>-</b>               | <b>-</b>               |
| <b>Total Capital Expenditure - Standard</b>       | 3   | <b>46,837</b>   | <b>42,949</b>   | <b>49,569</b>   | <b>61,179</b>        | <b>54,279</b>   | <b>54,279</b>      | <b>54,279</b>     | <b>53,792</b>                                       | <b>54,860</b>          | <b>59,459</b>          |
| <b>Funded by:</b>                                 |     |                 |                 |                 |                      |                 |                    |                   |                                                     |                        |                        |
| National Government                               |     | 46,837          | 29,238          | 28,439          | 37,279               | 37,279          | 37,279             | 37,279            | 36,492                                              | 37,560                 | 42,159                 |

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|                                             |   |               |               |               |               |               |               |               |               |               |               |
|---------------------------------------------|---|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Provincial Government                       |   |               |               |               |               |               |               |               |               |               |               |
| District Municipality                       |   |               |               |               |               |               |               |               |               |               |               |
| Other transfers and grants                  |   |               |               |               |               |               |               |               |               |               |               |
| <b>Transfers recognised - capital</b>       | 4 | <b>46,837</b> | <b>29,238</b> | <b>28,439</b> | <b>37,279</b> | <b>37,279</b> | <b>37,279</b> | <b>37,279</b> | <b>36,492</b> | <b>37,560</b> | <b>42,159</b> |
| <b>Public contributions &amp; donations</b> | 5 |               |               | 9,365         |               | –             | –             | –             |               |               |               |
| <b>Borrowing</b>                            | 6 |               |               |               |               | –             | –             | –             |               |               |               |
| <b>Internally generated funds</b>           |   |               | 13,711        | 11,766        | 23,900        | 17,000        | 17,000        | 17,000        | 17,300        | 17,300        | 17,300        |
| <b>Total Capital Funding</b>                | 7 | <b>46,837</b> | <b>42,949</b> | <b>49,569</b> | <b>61,179</b> | <b>54,279</b> | <b>54,279</b> | <b>54,279</b> | <b>53,792</b> | <b>54,860</b> | <b>59,459</b> |

## Notes

- Table A5 is a view of Budgeted Capital Expenditure by vote,classification and funding.
- The Technical department budget is budgeted at R48 million of the total R53,792 million capital budget as a service delivery department to improve peoples lives.

#### 4.6. BUDGETED FINANCIAL POSITION

LIM334 Ba-Phalaborwa - Table A6 Budgeted Financial Position

| Description                          | Ref | 2011/12          | 2012/13          | 2013/14          | Current Year 2014/15 |                  |                    |                   | 2015/16 Medium Term Revenue & Expenditure Framework |                        |                        |
|--------------------------------------|-----|------------------|------------------|------------------|----------------------|------------------|--------------------|-------------------|-----------------------------------------------------|------------------------|------------------------|
|                                      |     | Audited Outcome  | Audited Outcome  | Audited Outcome  | Original Budget      | Adjusted Budget  | Full Year Forecast | Pre-audit outcome | Budget Year 2015/16                                 | Budget Year +1 2016/17 | Budget Year +2 2017/18 |
| <b>R thousand</b>                    |     |                  |                  |                  |                      |                  |                    |                   |                                                     |                        |                        |
| <b>ASSETS</b>                        |     |                  |                  |                  |                      |                  |                    |                   |                                                     |                        |                        |
| <b>Current assets</b>                |     |                  |                  |                  |                      |                  |                    |                   |                                                     |                        |                        |
| Cash                                 |     | 1 499            | 2 066            | 155              | 2 100                | 490              | 490                | 490               | 1 612                                               | 6 089                  | 7 617                  |
| Call investment deposits             | 1   | 2                | –                | –                | 1 500                | 1 500            | 1 500              | 1 500             | 1 700                                               | 1 800                  | 1 850                  |
| Consumer debtors                     | 1   | 152 863          | 45 372           | 110 688          | 158 442              | 158 442          | 158 442            | 158 442           | 161 832                                             | 133 333                | 140 000                |
| Other debtors                        |     | 349              | 4                | 159 633          |                      |                  |                    |                   |                                                     |                        |                        |
| Inventory                            | 2   | 4 443            | 9 403            | 14 399           | 9 500                | 9 500            | 9 500              | 9 500             | 19 500                                              | 19 500                 | 19 500                 |
| <b>Total current assets</b>          |     | <b>159 157</b>   | <b>56 845</b>    | <b>284 875</b>   | <b>171 542</b>       | <b>169 932</b>   | <b>169 932</b>     | <b>169 932</b>    | <b>184 644</b>                                      | <b>160 722</b>         | <b>168 967</b>         |
| <b>Non current assets</b>            |     |                  |                  |                  |                      |                  |                    |                   |                                                     |                        |                        |
| Property, plant and equipment        | 3   | 1 120 753        | 1 056 876        | 1 051 231        | 1 284 139            | 1 277 239        | 1 277 239          | 1 277 239         | 1 360 432                                           | 1 436 591              | 1 512 731              |
| Biological                           |     |                  | 313              | 344              | 400                  | 400              | 400                | 400               | 400                                                 | 400                    | 400                    |
| <b>Total non current assets</b>      |     | <b>1 120 753</b> | <b>1 057 189</b> | <b>1 051 575</b> | <b>1 284 539</b>     | <b>1 277 639</b> | <b>1 277 639</b>   | <b>1 277 639</b>  | <b>1 360 832</b>                                    | <b>1 436 991</b>       | <b>1 513 131</b>       |
| <b>TOTAL ASSETS</b>                  |     | <b>1 279 910</b> | <b>1 114 035</b> | <b>1 336 450</b> | <b>1 456 081</b>     | <b>1 447 571</b> | <b>1 447 571</b>   | <b>1 447 571</b>  | <b>1 545 477</b>                                    | <b>1 597 713</b>       | <b>1 682 098</b>       |
| <b>LIABILITIES</b>                   |     |                  |                  |                  |                      |                  |                    |                   |                                                     |                        |                        |
| <b>Current liabilities</b>           |     |                  |                  |                  |                      |                  |                    |                   |                                                     |                        |                        |
| Bank overdraft                       | 1   | 22 397           |                  | 17 963           |                      |                  |                    |                   |                                                     |                        |                        |
| Borrowing                            | 4   | 6 530            | –                | –                | –                    | –                | –                  | –                 | –                                                   | –                      | –                      |
| Consumer deposits                    |     | 1 231            | 2 981            | 3 622            | 1 500                | 1 500            | 1 500              | 1 500             | 1 650                                               | 1 700                  | 1 750                  |
| Trade and other payables             | 4   | 292 076          | 370 513          | 370 737          | –                    | –                | –                  | –                 | 5 091                                               | 5 305                  | 5 533                  |
| Provisions                           |     |                  |                  | 267              |                      |                  |                    |                   |                                                     |                        |                        |
| <b>Total current liabilities</b>     |     | <b>322 232</b>   | <b>373 494</b>   | <b>392 588</b>   | <b>1 500</b>         | <b>1 500</b>     | <b>1 500</b>       | <b>1 500</b>      | <b>6 741</b>                                        | <b>7 005</b>           | <b>7 283</b>           |
| <b>Non current liabilities</b>       |     |                  |                  |                  |                      |                  |                    |                   |                                                     |                        |                        |
| Borrowing                            |     | 4 651            | –                | –                | 210 000              | 210 000          | 210 000            | 210 000           | 180 000                                             | 150 000                | 130 000                |
| Provisions                           |     | 31 967           | 33 736           | 50 157           | 20 000               | 20 000           | 20 000             | 20 000            | 18 000                                              | 16 000                 | 14 000                 |
| <b>Total non current liabilities</b> |     | <b>36 618</b>    | <b>33 736</b>    | <b>50 157</b>    | <b>230 000</b>       | <b>230 000</b>   | <b>230 000</b>     | <b>230 000</b>    | <b>198 000</b>                                      | <b>166 000</b>         | <b>144 000</b>         |
| <b>TOTAL LIABILITIES</b>             |     | <b>358 851</b>   | <b>407 230</b>   | <b>442 745</b>   | <b>231 500</b>       | <b>231 500</b>   | <b>231 500</b>     | <b>231 500</b>    | <b>204 741</b>                                      | <b>173 005</b>         | <b>151 283</b>         |
| <b>NET ASSETS</b>                    | 5   | <b>921 060</b>   | <b>706 805</b>   | <b>893 704</b>   | <b>1 224 581</b>     | <b>1 216 071</b> | <b>1 216 071</b>   | <b>1 216 071</b>  | <b>1 340 735</b>                                    | <b>1 424 709</b>       | <b>1 530 815</b>       |

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|                                      |          |                |                |                |                  |                  |                  |                  |                  |                  |                  |
|--------------------------------------|----------|----------------|----------------|----------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| <b>COMMUNITY WEALTH/EQUITY</b>       |          |                |                |                |                  |                  |                  |                  |                  |                  |                  |
| Accumulated Surplus/(Deficit)        |          | 921 060        | 706 805        |                |                  |                  |                  |                  |                  |                  |                  |
| Reserves                             | 4        | –              | –              | 893 704        | 1 224 581        | 1 216 071        | 1 216 071        | 1 216 071        | 1 340 735        | 1 424 709        | 1 530 815        |
| Minorities' interests                |          |                |                |                |                  |                  |                  |                  |                  |                  |                  |
| <b>TOTAL COMMUNITY WEALTH/EQUITY</b> | <b>5</b> | <b>921 060</b> | <b>706 805</b> | <b>893 704</b> | <b>1 224 581</b> | <b>1 216 071</b> | <b>1 216 071</b> | <b>1 216 071</b> | <b>1 340 735</b> | <b>1 424 709</b> | <b>1 530 815</b> |

## NOTES

- Table 6 is supported by an extensive table of notes (SA3) providing a detailed analysis of the major components of a number of items, including:
  - ✓ Call investments deposits;
  - ✓ Consumer debtors;
  - ✓ Property, plant and equipment;
  - ✓ Trade and other payables;
  - ✓ Provisions non current;
  - ✓ Changes in net assets; and
  - ✓ Reserves
- Any movement on the Budgeted Financial Performance or the Capital Budget will inevitably impact on the Budgeted Financial Position.
- As an example, the collection rate assumption will impact on the cash position of the municipality and subsequently inform the level of cash and cash equivalents at year end.
- Similarly, the collection rate assumption should inform the budget appropriation for debt impairment which in turn would impact on the provision for bad debt.

#### 4.7. BUDGETED CASH FLOWS

LIM334 Ba-Phalaborwa - Table A7 Budgeted Cash Flows

| Description                                       | Ref | 2011/12         | 2012/13         | 2013/14          | Current Year 2014/15 |                 |                    |                   | 2015/16 Medium Term Revenue & Expenditure Framework |                        |                        |
|---------------------------------------------------|-----|-----------------|-----------------|------------------|----------------------|-----------------|--------------------|-------------------|-----------------------------------------------------|------------------------|------------------------|
|                                                   |     | Audited Outcome | Audited Outcome | Audited Outcome  | Original Budget      | Adjusted Budget | Full Year Forecast | Pre-audit outcome | Budget Year 2015/16                                 | Budget Year +1 2016/17 | Budget Year +2 2017/18 |
| <b>R thousand</b>                                 |     |                 |                 |                  |                      |                 |                    |                   |                                                     |                        |                        |
| <b>CASH FLOW FROM OPERATING ACTIVITIES</b>        |     |                 |                 |                  |                      |                 |                    |                   |                                                     |                        |                        |
| <b>Receipts</b>                                   |     |                 |                 |                  |                      |                 |                    |                   |                                                     |                        |                        |
| Property rates, penalties & collection charges    |     | 34,049          | 60,257          | 57,239           | 70,634               | 70,634          | 70,634             | 70,634            | 37,772                                              | 40,038                 | 42,160                 |
| Service charges                                   |     | 73,480          | 79,414          | 93,504           | 106,664              | 106,664         | 106,664            | 106,664           | 197,813                                             | 208,623                | 220,235                |
| Other revenue                                     |     | 3,642           | 22,910          | 18,131           | 46,535               | 21,789          | 21,789             | 21,789            | 16,411                                              | 17,302                 | 18,230                 |
| Government - operating                            | 1   | 60,864          | 64,589          | 72,873           | 88,490               | 88,490          | 88,490             | 88,490            | 113,160                                             | 115,290                | 115,663                |
| Government - capital                              | 1   | 20,374          | 33,778          | 32,291           | 37,279               | 37,279          | 37,279             | 37,279            | 36,492                                              | 37,560                 | 42,159                 |
| Interest                                          |     | 41,295          | 42,701          | 55,900           | 4,054                | 5,353           | 5,353              | 5,353             | 19,504                                              | 19,775                 | 20,104                 |
| Dividends                                         |     |                 |                 |                  | 2                    | 3               | 3                  | 3                 | 3                                                   | 3                      | 3                      |
| <b>Payments</b>                                   |     |                 |                 |                  |                      |                 |                    |                   |                                                     |                        |                        |
| Suppliers and employees                           |     | (207,329)       | (260,109)       | (241,084)        | (301,504)            | (300,663)       | (300,663)          | (300,663)         | (364,453)                                           | (377,043)              | (395,226)              |
| Finance charges                                   |     | (434)           | (226)           | (128)            | (848)                | (2,048)         | (2,048)            | (2,048)           | (2,109)                                             | (2,211)                | (2,341)                |
| Transfers and Grants                              | 1   |                 |                 |                  |                      | –               | –                  | –                 | –                                                   | –                      | –                      |
| <b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>  |     | <b>25,939</b>   | <b>43,315</b>   | <b>88,726</b>    | <b>51,306</b>        | <b>27,501</b>   | <b>27,501</b>      | <b>27,501</b>     | <b>54,592</b>                                       | <b>59,337</b>          | <b>60,987</b>          |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>       |     |                 |                 |                  |                      |                 |                    |                   |                                                     |                        |                        |
| <b>Receipts</b>                                   |     |                 |                 |                  |                      |                 |                    |                   |                                                     |                        |                        |
| Decrease (increase) other non-current receivables |     |                 |                 | (53,724)         |                      |                 |                    |                   | –                                                   | –                      | –                      |
| <b>Payments</b>                                   |     |                 |                 |                  |                      |                 |                    |                   |                                                     |                        |                        |
| Capital assets                                    |     | (39,987)        | (42,949)        | (48,745)         | (51,179)             | (47,179)        | (47,179)           | (47,179)          | (53,792)                                            | (54,860)               | (59,459)               |
| <b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>  |     | <b>(39,987)</b> | <b>(42,949)</b> | <b>(102,469)</b> | <b>(51,179)</b>      | <b>(47,179)</b> | <b>(47,179)</b>    | <b>(47,179)</b>   | <b>(53,792)</b>                                     | <b>(54,860)</b>        | <b>(59,459)</b>        |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>       |     |                 |                 |                  |                      |                 |                    |                   |                                                     |                        |                        |
| <b>Receipts</b>                                   |     |                 |                 |                  |                      |                 |                    |                   |                                                     |                        |                        |
| Short term loans                                  |     |                 |                 |                  |                      |                 |                    |                   | –                                                   | –                      | –                      |

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|                                                  |   |                |              |                 |            |               |               |               |            |              |              |
|--------------------------------------------------|---|----------------|--------------|-----------------|------------|---------------|---------------|---------------|------------|--------------|--------------|
| Borrowing long term/refinancing                  |   | 6,189          |              |                 |            |               |               |               | -          | -            | -            |
| Increase (decrease) in consumer deposits         |   | 5,508          |              |                 |            |               |               |               | -          | -            | -            |
| <b>Payments</b>                                  |   |                |              |                 |            |               |               |               |            |              |              |
| Repayment of borrowing                           |   | (583)          | (941)        | (6,131)         |            | 20,000        | 20,000        | 20,000        | -          | -            | -            |
| <b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b> |   | <b>11,113</b>  | <b>(941)</b> | <b>(6,131)</b>  | <b>-</b>   | <b>20,000</b> | <b>20,000</b> | <b>20,000</b> | <b>-</b>   | <b>-</b>     | <b>-</b>     |
| <b>NET INCREASE/ (DECREASE) IN CASH HELD</b>     |   | <b>(2,935)</b> | <b>(575)</b> | <b>(19,874)</b> | <b>127</b> | <b>323</b>    | <b>323</b>    | <b>323</b>    | <b>800</b> | <b>4,477</b> | <b>1,528</b> |
| Cash/cash equivalents at the year begin:         | 2 | 5,576          | 2,642        | 2,066           | 2,100      | 490           | 490           | 490           | 813        | 1,612        | 6,089        |
| Cash/cash equivalents at the year end:           | 2 | 2,642          | 2,066        | (17,807)        | 2,227      | 813           | 813           | 813           | 1,612      | 6,089        | 7,617        |

## NOTES

- The budgeted cash flow statement is the first measurement in determining if the budget is funded, It shows the expected level of cash in-flow versus cash out-flow that is likely to result from the implementation of the budget.
- Cash and cash equivalents totals R1,612 as at the end of the 2015/16 financial year and the two outer years R6 million and R7 million respectively.



#### 4.8. CASH BACKED RESERVES/ACCUMULATED SURPLUSES

LIM334 Ba-Phalaborwa - Table A8 Cash backed reserves/accumulated surplus reconciliation

| Description                                       | Ref | 2011/12          | 2012/13          | 2013/14          | Current Year 2014/15 |                 |                    |                   | 2015/16 Medium Term Revenue & Expenditure Framework |                        |                        |
|---------------------------------------------------|-----|------------------|------------------|------------------|----------------------|-----------------|--------------------|-------------------|-----------------------------------------------------|------------------------|------------------------|
|                                                   |     | Audited Outcome  | Audited Outcome  | Audited Outcome  | Original Budget      | Adjusted Budget | Full Year Forecast | Pre-audit outcome | Budget Year 2015/16                                 | Budget Year +1 2016/17 | Budget Year +2 2017/18 |
| <b>R thousand</b>                                 |     |                  |                  |                  |                      |                 |                    |                   |                                                     |                        |                        |
| <b><u>Cash and investments available</u></b>      |     |                  |                  |                  |                      |                 |                    |                   |                                                     |                        |                        |
| Cash/cash equivalents at the year end             | 1   | 2 642            | 2 066            | (17 807)         | 2 227                | 813             | 813                | 813               | 1 612                                               | 6 089                  | 7 617                  |
| Other current investments > 90 days               |     | (23 537)         | (0)              | –                | 1 373                | 1 177           | 1 177              | 1 177             | 1 700                                               | 1 800                  | 1 850                  |
| Non current assets - Investments                  | 1   | –                | –                | –                | –                    | –               | –                  | –                 | –                                                   | –                      | –                      |
| <b>Cash and investments available:</b>            |     | <b>(20 895)</b>  | <b>2 066</b>     | <b>(17 807)</b>  | <b>3 600</b>         | <b>1 990</b>    | <b>1 990</b>       | <b>1 990</b>      | <b>3 312</b>                                        | <b>7 889</b>           | <b>9 467</b>           |
| <b><u>Application of cash and investments</u></b> |     |                  |                  |                  |                      |                 |                    |                   |                                                     |                        |                        |
| Unspent conditional transfers                     |     | 2 789            | 2 511            | 7 141            | –                    | –               | –                  | –                 | –                                                   | –                      | –                      |
| Unspent borrowing                                 |     | –                | –                | –                | –                    | –               | –                  | –                 | –                                                   | –                      | –                      |
| Statutory requirements                            | 2   |                  |                  |                  |                      |                 |                    |                   |                                                     |                        |                        |
| Other working capital requirements                | 3   | 255 155          | 353 625          | 294 649          | (41 837)             | (41 837)        | (41 837)           | (41 837)          | (13 453)                                            | (10 288)               | (10 918)               |
| Other provisions                                  |     |                  |                  |                  |                      |                 |                    |                   |                                                     |                        |                        |
| Long term investments committed                   | 4   | –                | –                | –                | –                    | –               | –                  | –                 | –                                                   | –                      | –                      |
| Reserves to be backed by cash/investments         | 5   |                  |                  |                  |                      |                 |                    |                   |                                                     |                        |                        |
| <b>Total Application of cash and investments:</b> |     | <b>257 944</b>   | <b>356 136</b>   | <b>301 790</b>   | <b>(41 837)</b>      | <b>(41 837)</b> | <b>(41 837)</b>    | <b>(41 837)</b>   | <b>(13 453)</b>                                     | <b>(10 288)</b>        | <b>(10 918)</b>        |
| <b>Surplus(shortfall)</b>                         |     | <b>(278 839)</b> | <b>(354 070)</b> | <b>(319 597)</b> | <b>45 437</b>        | <b>43 827</b>   | <b>43 827</b>      | <b>43 827</b>     | <b>16 765</b>                                       | <b>18 177</b>          | <b>20 385</b>          |

#### NOTES

- As part of the budgeting and planning guidelines that informed the compilation of the 2015/16 MTREF the end objective of the medium-term framework was to ensure the budget is funded aligned to section 18 of the MFMA.

#### 4.9. ASSET MANAGEMENT

LIM334 Ba-Phalaborwa - Table A9 Asset Management

| Description                                    | Ref | 2011/12         | 2012/13         | 2013/14         | Current Year 2014/15 |                 |                    | 2015/16 Medium Term Revenue & Expenditure Framework |                        |                        |
|------------------------------------------------|-----|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|-----------------------------------------------------|------------------------|------------------------|
|                                                |     | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget      | Adjusted Budget | Full Year Forecast | Budget Year 2015/16                                 | Budget Year +1 2016/17 | Budget Year +2 2017/18 |
| <b>R thousand</b>                              |     |                 |                 |                 |                      |                 |                    |                                                     |                        |                        |
| <b>CAPITAL EXPENDITURE</b>                     |     |                 |                 |                 |                      |                 |                    |                                                     |                        |                        |
| <b><u>Total New Assets</u></b>                 | 1   | 46 837          | 42 949          | 49 569          | 61 179               | 54 279          | 54 279             | 53 792                                              | 54 860                 | 59 459                 |
| Infrastructure - Road transport                |     | 20 235          | 26 169          | 31 716          | 22 779               | 18 479          | 18 479             | 23 992                                              | 25 060                 | 26 659                 |
| Infrastructure - Electricity                   |     | 9 723           | 11 672          | –               | 27 800               | 24 300          | 24 300             | 12 600                                              | 12 600                 | 15 600                 |
| Infrastructure - Other                         |     | 2 674           | –               | –               | 4 500                | 7 800           | 7 800              | 10 000                                              | 10 000                 | 10 000                 |
| Infrastructure                                 |     | 32 632          | 37 840          | 31 716          | 55 079               | 50 579          | 50 579             | 46 592                                              | 47 660                 | 52 259                 |
| Community                                      |     | 1 584           | 1 711           | 8 330           | –                    | –               | –                  | –                                                   | –                      | –                      |
| Other assets                                   | 6   | 12 621          | 3 398           | 9 523           | 6 100                | 3 700           | 3 700              | 7 200                                               | 7 200                  | 7 200                  |
| Intangibles                                    |     | –               | –               | –               | –                    | –               | –                  | –                                                   | –                      | –                      |
| <b><u>Total Renewal of Existing Assets</u></b> | 2   | –               | –               | –               | –                    | –               | –                  | –                                                   | –                      | –                      |
| Intangibles                                    |     | –               | –               | –               | –                    | –               | –                  | –                                                   | –                      | –                      |
| <b><u>Total Capital Expenditure</u></b>        | 4   |                 |                 |                 |                      |                 |                    |                                                     |                        |                        |
| Infrastructure - Road transport                |     | 20 235          | 26 169          | 31 716          | 22 779               | 18 479          | 18 479             | 23 992                                              | 25 060                 | 26 659                 |
| Infrastructure - Electricity                   |     | 9 723           | 11 672          | –               | 27 800               | 24 300          | 24 300             | 12 600                                              | 12 600                 | 15 600                 |
| Infrastructure - Other                         |     | 2 674           | –               | –               | 4 500                | 7 800           | 7 800              | 10 000                                              | 10 000                 | 10 000                 |
| Infrastructure                                 |     | 32 632          | 37 840          | 31 716          | 55 079               | 50 579          | 50 579             | 46 592                                              | 47 660                 | 52 259                 |
| Community                                      |     | 1 584           | 1 711           | 8 330           | –                    | –               | –                  | –                                                   | –                      | –                      |
| Other assets                                   |     | 12 621          | 3 398           | 9 523           | 6 100                | 3 700           | 3 700              | 7 200                                               | 7 200                  | 7 200                  |
| Intangibles                                    |     | –               | –               | –               | –                    | –               | –                  | –                                                   | –                      | –                      |
| <b>TOTAL CAPITAL EXPENDITURE - Asset class</b> | 2   | 46 837          | 42 949          | 49 569          | 61 179               | 54 279          | 54 279             | 53 792                                              | 54 860                 | 59 459                 |
| <b>ASSET REGISTER SUMMARY - PPE (WDV)</b>      | 5   |                 |                 |                 |                      |                 |                    |                                                     |                        |                        |
| Infrastructure - Road transport                |     | 24 435          | 449 391         | 1 051 231       | 1 284 139            | 1 277 239       | 1 277 239          | 1 360 432                                           | 1 436 591              | 1 512 731              |
| Infrastructure - Electricity                   |     | 14 223          | 348 672         |                 |                      |                 |                    |                                                     |                        |                        |
| Infrastructure - Water                         |     | 6 200           | 241 370         |                 |                      |                 |                    |                                                     |                        |                        |
| Infrastructure - Sanitation                    |     | 2 100           | 120 000         |                 |                      |                 |                    |                                                     |                        |                        |
| Infrastructure - Other                         |     | 4 174           |                 |                 |                      |                 |                    |                                                     |                        |                        |
| Infrastructure                                 |     | 51 132          | 1 159 432       | 1 051 231       | 1 284 139            | 1 277 239       | 1 277 239          | 1 360 432                                           | 1 436 591              | 1 512 731              |

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|                                                       |          |               |                  |                  |                  |                  |                  |                  |                  |                  |
|-------------------------------------------------------|----------|---------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Community                                             |          | 1 584         | 311              |                  |                  |                  |                  |                  |                  |                  |
| Heritage assets                                       |          |               |                  |                  |                  |                  |                  |                  |                  |                  |
| Other assets                                          |          | 12 621        | 459              |                  |                  |                  |                  |                  |                  |                  |
| Biological assets                                     |          | –             | 313              | 344              | 400              | 400              | 400              | 400              | 400              | 400              |
| Intangibles                                           |          | –             | –                | –                | –                | –                | –                | –                | –                | –                |
| <b>TOTAL ASSET REGISTER SUMMARY - PPE (WDV)</b>       | <b>5</b> | <b>65 337</b> | <b>1 160 515</b> | <b>1 051 575</b> | <b>1 284 539</b> | <b>1 277 639</b> | <b>1 277 639</b> | <b>1 360 832</b> | <b>1 436 991</b> | <b>1 513 131</b> |
| <b>EXPENDITURE OTHER ITEMS</b>                        |          |               |                  |                  |                  |                  |                  |                  |                  |                  |
| <u>Depreciation &amp; asset impairment</u>            |          | 74 449        | 69 182           | 61 010           | 74 909           | 74 909           | 74 909           | 70 104           | 73 469           | 77 804           |
| <u>Repairs and Maintenance by Asset Class</u>         | 3        | –             | –                | 17 400           | 19 291           | 20 202           | 20 202           | 21 333           | 22 357           | 23 676           |
| Infrastructure - Road transport                       |          | –             | –                | 6 083            | 5 400            | 4 400            | 4 400            | 4 646            | 4 869            | 5 157            |
| Infrastructure - Electricity                          |          | –             | –                | 9 834            | 4 600            | 6 600            | 6 600            | 6 970            | 7 304            | 7 735            |
| Infrastructure - Other                                |          | –             | –                | 1 092            | 1 201            | 1 601            | 1 601            | 1 690            | 1 771            | 1 876            |
| Infrastructure                                        |          | –             | –                | 17 009           | 11 201           | 12 601           | 12 601           | 13 306           | 13 945           | 14 768           |
| Community                                             |          | –             | –                | –                | 4 480            | 4 631            | 4 631            | 4 890            | 5 125            | 5 427            |
| Heritage assets                                       |          | –             | –                | –                | 32               | 32               | 32               | 34               | 35               | 38               |
| Other assets                                          | 6,<br>7  | –             | –                | 391              | 3 578            | 2 938            | 2 938            | 3 103            | 3 252            | 3 443            |
| <b>TOTAL EXPENDITURE OTHER ITEMS</b>                  |          | <b>74 449</b> | <b>69 182</b>    | <b>78 410</b>    | <b>94 200</b>    | <b>95 111</b>    | <b>95 111</b>    | <b>91 437</b>    | <b>95 826</b>    | <b>101 480</b>   |
| <i>Renewal of Existing Assets as % of total capex</i> |          | 0.0%          | 0.0%             | 0.0%             | 0.0%             | 0.0%             | 0.0%             | 0.0%             | 0.0%             | 0.0%             |
| <i>Renewal of Existing Assets as % of deprecn"</i>    |          | 0.0%          | 0.0%             | 0.0%             | 0.0%             | 0.0%             | 0.0%             | 0.0%             | 0.0%             | 0.0%             |
| <i>R&amp;M as a % of PPE</i>                          |          | 0.0%          | 0.0%             | 1.7%             | 1.5%             | 1.6%             | 1.6%             | 1.6%             | 1.6%             | 1.6%             |
| <i>Renewal and R&amp;M as a % of PPE</i>              |          | 0.0%          | 0.0%             | 2.0%             | 2.0%             | 2.0%             | 2.0%             | 2.0%             | 2.0%             | 2.0%             |

## NOTES

- Table A9 provides an overview of municipal capital allocations to building new assets and the renewal of existing assets, as well as spending on repairs and maintenance by asset class.

#### 4.10. BASIC SERVICE DELIVERY MEASUREMENT

LIM334 Ba-Phalaborwa - Table A10 Basic service delivery measurement

| Description                                      | Ref | 2011/12       | 2012/13       | 2013/14       | Current Year 2014/15 |                 |                    | 2015/16 Medium Term Revenue & Expenditure Framework |                        |                        |
|--------------------------------------------------|-----|---------------|---------------|---------------|----------------------|-----------------|--------------------|-----------------------------------------------------|------------------------|------------------------|
|                                                  |     | Outcome       | Outcome       | Outcome       | Original Budget      | Adjusted Budget | Full Year Forecast | Budget Year 2015/16                                 | Budget Year +1 2016/17 | Budget Year +2 2017/18 |
| <b>Household service targets</b>                 | 1   |               |               |               |                      |                 |                    |                                                     |                        |                        |
| <b><u>Water:</u></b>                             |     |               |               |               |                      |                 |                    |                                                     |                        |                        |
| Piped water inside dwelling                      |     | 12,251        | 12,251        | 15,252        | 15,252               | 15,252          | 15,252             | 15,252                                              | 15,252                 | 15,252                 |
| Piped water inside yard (but not in dwelling)    |     | 17,082        | 17,082        | 18,721        | 18,721               | 18,721          | 18,721             | 18,721                                              | 18,721                 | 18,721                 |
| Using public tap (at least min.service level)    | 2   | 3,812         | 3,812         | 3,812         | 3,812                | 3,812           | 3,812              | 3,812                                               | 3,812                  | 3,812                  |
| Other water supply (at least min.service level)  | 4   | 413           | 413           |               |                      |                 |                    |                                                     |                        |                        |
| <i>Minimum Service Level and Above sub-total</i> |     | 33,558        | 33,558        | 37,785        | 37,785               | 37,785          | 37,785             | 37,785                                              | 37,785                 | 37,785                 |
| Using public tap (< min.service level)           | 3   |               |               |               |                      |                 |                    |                                                     |                        |                        |
| Other water supply (< min.service level)         | 4   | 234           | 234           | 234           | 234                  | 234             | 234                | 234                                                 | 234                    | 234                    |
| No water supply                                  |     |               |               |               |                      |                 |                    |                                                     |                        |                        |
| <i>Below Minimum Service Level sub-total</i>     |     | 234           | 234           | 234           | 234                  | 234             | 234                | 234                                                 | 234                    | 234                    |
| <b>Total number of households</b>                | 5   | <b>33,792</b> | <b>33,792</b> | <b>38,019</b> | <b>38,019</b>        | <b>38,019</b>   | <b>38,019</b>      | <b>38,019</b>                                       | <b>38,019</b>          | <b>38,019</b>          |
| <b><u>Sanitation/sewerage:</u></b>               |     |               |               |               |                      |                 |                    |                                                     |                        |                        |
| Flush toilet (connected to sewerage)             |     | 14,056        | 14,056        | 16,638        | 16,638               | 16,638          | 16,638             | 16,638                                              | 16,638                 | 16,638                 |
| Flush toilet (with septic tank)                  |     | 1,090         | 1,090         | 860           | 860                  | 860             | 860                | 860                                                 | 860                    | 860                    |
| Chemical toilet                                  |     | –             | –             | 424           | 424                  | 424             | 424                | 424                                                 | 424                    | 424                    |
| Pit toilet (ventilated)                          |     | 2,868         | 2,868         | 6,718         | 6,718                | 6,718           | 6,718              | 6,718                                               | 6,718                  | 6,718                  |
| Other toilet provisions (> min.service level)    |     | 9,166         | 9,166         | 10,833        | 10,833               | 10,833          | 10,833             | 10,833                                              | 10,833                 | 10,833                 |
| <i>Minimum Service Level and Above sub-total</i> |     | 27,180        | 27,180        | 35,473        | 35,473               | 35,473          | 35,473             | 35,473                                              | 35,473                 | 35,473                 |
| Bucket toilet                                    |     |               |               | 80            | 80                   | 80              | 80                 | 80                                                  | 80                     | 80                     |
| Other toilet provisions (< min.service level)    |     |               |               | 864           | 864                  | 864             | 864                | 864                                                 | 864                    | 864                    |
| No toilet provisions                             |     | 6,612         | 6,612         | 4,698         | 4,698                | 4,698           | 4,698              | 4,698                                               | 4,698                  | 4,698                  |
| <i>Below Minimum Service Level sub-total</i>     |     | 6,612         | 6,612         | 5,642         | 5,642                | 5,642           | 5,642              | 5,642                                               | 5,642                  | 5,642                  |
| <b>Total number of households</b>                | 5   | <b>33,792</b> | <b>33,792</b> | <b>41,115</b> | <b>41,115</b>        | <b>41,115</b>   | <b>41,115</b>      | <b>41,115</b>                                       | <b>41,115</b>          | <b>41,115</b>          |
| <b><u>Energy:</u></b>                            |     |               |               |               |                      |                 |                    |                                                     |                        |                        |
| Electricity (at least min.service level)         |     | 7,000         | 7,000         | 37,345        | 37,345               | 37,345          | 37,345             | 37,345                                              | 37,345                 | 37,345                 |
| Electricity - prepaid (min.service level)        |     |               |               |               |                      |                 |                    |                                                     |                        |                        |
| <i>Minimum Service Level and Above sub-total</i> |     | 7,000         | 7,000         | 37,345        | 37,345               | 37,345          | 37,345             | 37,345                                              | 37,345                 | 37,345                 |
| Electricity (< min.service level)                |     |               |               |               |                      |                 |                    |                                                     |                        |                        |

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|                                                                            |   |       |       |        |        |        |        |        |        |        |
|----------------------------------------------------------------------------|---|-------|-------|--------|--------|--------|--------|--------|--------|--------|
| Electricity - prepaid (< min. service level)                               |   |       |       |        |        |        |        |        |        |        |
| Other energy sources                                                       |   |       |       |        |        |        |        |        |        |        |
| <i>Below Minimum Service Level sub-total</i>                               |   | -     | -     | -      | -      | -      | -      | -      | -      | -      |
| <b>Total number of households</b>                                          | 5 | 7,000 | 7,000 | 37,345 | 37,345 | 37,345 | 37,345 | 37,345 | 37,345 | 37,345 |
| <b><u>Refuse:</u></b>                                                      |   |       |       |        |        |        |        |        |        |        |
| Removed at least once a week                                               |   |       |       |        |        |        |        |        |        |        |
| <i>Minimum Service Level and Above sub-total</i>                           |   | -     | -     | -      | -      | -      | -      | -      | -      | -      |
| Removed less frequently than once a week                                   |   |       |       | 257    | 257    | 257    | 257    | 257    | 257    | 257    |
| Using communal refuse dump                                                 |   |       |       | 684    | 684    | 684    | 684    | 684    | 684    | 684    |
| Using own refuse dump                                                      |   |       |       | 17,849 | 17,849 | 17,849 | 17,849 | 17,849 | 17,849 | 17,849 |
| Other rubbish disposal                                                     |   |       |       | 327    | 327    | 327    | 327    | 327    | 327    | 327    |
| No rubbish disposal                                                        |   |       |       | 1,933  | 1,933  | 1,933  | 1,933  | 1,933  | 1,933  | 1,933  |
| <i>Below Minimum Service Level sub-total</i>                               |   | -     | -     | 21,050 | 21,050 | 21,050 | 21,050 | 21,050 | 21,050 | 21,050 |
| <b>Total number of households</b>                                          | 5 | -     | -     | 21,050 | 21,050 | 21,050 | 21,050 | 21,050 | 21,050 | 21,050 |
| <b><u>Households receiving Free Basic Service</u></b>                      | 7 |       |       |        |        |        |        |        |        |        |
| Water (6 kilolitres per household per month)                               |   |       |       | 2,356  | 2,356  | 2,356  | 2,356  | 2,356  | 2,356  | 2,356  |
| Sanitation (free minimum level service)                                    |   |       |       | 2,356  | 2,356  | 2,356  | 2,356  | 2,356  | 2,356  | 2,356  |
| Electricity/other energy (50kwh per household per month)                   |   |       |       | 2,356  | 2,356  | 2,356  | 2,356  | 2,356  | 2,356  | 2,356  |
| Refuse (removed at least once a week)                                      |   |       |       | 2,356  | 2,356  | 2,356  | 2,356  | 2,356  | 2,356  | 2,356  |
| Property rates (R15 000 threshold rebate)                                  |   |       |       |        |        |        |        |        |        |        |
| <b>Total revenue cost of free services provided (total social package)</b> |   | -     | -     | -      | -      | -      | -      | -      | -      | -      |

## NOTES

- Table A10 provides an overview of municipal basic service delivery measurement to household service targets.

## **PART TWO**

### **ANNUAL BUDGET SUPPORTING INFORMATION**

## 5. OVERVIEW OF ANNUAL BUDGET

### 5.1. Schedule of key deadlines relating to budget process

#### 1. Budget and PMS Calendar for 2014–15

The IDP, Budget, PMS and MPAC calendar presents the activities that will be undertaken by both the District Municipality and Ba-Phalaborwa Municipality during the 2014/15 financial year.

| Month     | Activity                                                                                                                                                                                                                                                                                                                                                                                                            | Time-frame                                                                                                                             |                              |
|-----------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------|------------------------------|
|           |                                                                                                                                                                                                                                                                                                                                                                                                                     | Ba-Phalaborwa Municipality                                                                                                             | Mopani District Municipality |
| IDP       |                                                                                                                                                                                                                                                                                                                                                                                                                     |                                                                                                                                        |                              |
| July 2014 | <b>Preparatory Phase</b> <ul style="list-style-type: none"><li>District IDP Technical Committee Meeting (IDP Framework and Process Plan).</li><li>IDP, Budget &amp; PMS Operational Meeting (IDP Framework &amp; Process Plan)</li><li>IDP, Budget &amp; PMS Technical Meeting (IDP Framework &amp; Process Plan)</li><li>IDP, Budget &amp; PMS Steering Committee Meeting (Framework &amp; Process Plan)</li></ul> | <ul style="list-style-type: none"><li>04/07/2014</li><li>10/07/2014</li><li>14/07/2014</li><li>18/07/2014</li><li>23/07/2014</li></ul> | 31 July 2014                 |

| Month         | Activity                                                                                                                                                                                                                           | Time-frame                                                                                                                     |                              |
|---------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------|------------------------------|
|               |                                                                                                                                                                                                                                    | Ba-Phalaborwa Municipality                                                                                                     | Mopani District Municipality |
|               | <ul style="list-style-type: none"> <li>IDP, Budget &amp; PMS Rep Forum (Framework &amp; Process Plan)</li> <li>Mayor tables IDP/Budget/PMS/MPAC Framework &amp; Process Plan in (Special Council)</li> </ul>                       | <ul style="list-style-type: none"> <li>31/07/2014</li> </ul>                                                                   |                              |
| <b>Budget</b> |                                                                                                                                                                                                                                    |                                                                                                                                |                              |
|               | <ul style="list-style-type: none"> <li>Establish Departmental Budget Committees (include councillors &amp; officials).</li> </ul>                                                                                                  | <ul style="list-style-type: none"> <li>25/07/2014 – 04/09/2014</li> </ul>                                                      |                              |
| <b>PMS</b>    |                                                                                                                                                                                                                                    |                                                                                                                                |                              |
|               | <ul style="list-style-type: none"> <li>Compilation of 2013/14 4<sup>th</sup> quarter report</li> <li>Conclude 2014/15 annual performance agreements</li> <li>Submit final approved SDBIP</li> </ul>                                | <ul style="list-style-type: none"> <li>01/07/2014 – 15/07/2014</li> <li>01/07/2014 – 25/07/2014</li> <li>31/07/2014</li> </ul> |                              |
| <b>MPAC</b>   |                                                                                                                                                                                                                                    |                                                                                                                                |                              |
|               | <ul style="list-style-type: none"> <li>District MPAC Framework and Process Plan.</li> <li>Final Work Programme presented to Council</li> <li>Consideration of SDBIP</li> <li>MPAC and Audit committee Quarterly meeting</li> </ul> | <ul style="list-style-type: none"> <li>04/07/2014</li> <li>31/07/2014</li> <li>31/07/2014</li> <li>31/07/2014</li> </ul>       |                              |



| Month       | Activity                                                                                                                                                                                                                                                                     | Time-frame                                                                                                                                    |                              |
|-------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------|------------------------------|
|             |                                                                                                                                                                                                                                                                              | Ba-Phalaborwa Municipality                                                                                                                    | Mopani District Municipality |
| IDP         |                                                                                                                                                                                                                                                                              |                                                                                                                                               |                              |
| August 2014 | <b>Analysis Phase</b> <ul style="list-style-type: none"><li>• Data collection (ward-based planning)</li><li>• Data analysis and interpretation</li><li>• Community Satisfaction Survey</li></ul>                                                                             | <ul style="list-style-type: none"><li>• 01/08/2014 – 29/08/2014</li><li>• 01/08/2014 – 31/08/2014</li><li>• 01/08/2014 – 26/09/2014</li></ul> | 31 August 2014               |
| Budget      |                                                                                                                                                                                                                                                                              |                                                                                                                                               |                              |
|             | <ul style="list-style-type: none"><li>• 2013/14 internal analysis of financial and non-financial performance. Determine financial position and assess financial capacity against future strategies.</li></ul>                                                                | <ul style="list-style-type: none"><li>• 31/08/2014</li></ul>                                                                                  |                              |
| PMS         |                                                                                                                                                                                                                                                                              |                                                                                                                                               |                              |
|             | <ul style="list-style-type: none"><li>• 2013/14 IDP implementation feedback: Fourth Quarter Mayoral Imbizo</li><li>• Make public the 2014/15 SDBIP</li><li>• Make public 2014/15 annual performance agreements and ensure that copies are submitted to Council and</li></ul> | <ul style="list-style-type: none"><li>• 01/08/2014 – 13/08/2014</li><li>• 14/08/2014</li><li>• 14/08/2014</li><li>• 14/08/2014</li></ul>      |                              |

| Month                 | Activity                                                                                                                                                                                                                                                                                                                                                                                                                | Time-frame                                                                                                                       |                              |
|-----------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------|------------------------------|
|                       |                                                                                                                                                                                                                                                                                                                                                                                                                         | Ba-Phalaborwa Municipality                                                                                                       | Mopani District Municipality |
|                       | MEC:CoGHSTA <ul style="list-style-type: none"> <li>• Submission of 2013/14 Annual Performance Report</li> <li>• Place 2014/15 annual performance agreements on the municipal website.</li> <li>• Individual performance assessments 2013/14 Annual</li> </ul>                                                                                                                                                           | <ul style="list-style-type: none"> <li>• 14/08/2014</li> <li>• 01/08/2014-31/08/2014</li> </ul>                                  |                              |
| <b>MPAC</b>           |                                                                                                                                                                                                                                                                                                                                                                                                                         |                                                                                                                                  |                              |
|                       | <ul style="list-style-type: none"> <li>• Consideration of Annual Performance Agreements versus the final SDBIP</li> <li>• Consideration of institutional 4<sup>th</sup> quarterly Report.</li> <li>• Collection of public comments during the mayoral imbizo</li> <li>• Consider the 2014/15 IDP/Budget/PMS process plan</li> <li>• Probing of 4<sup>th</sup> Quarter performance Report and public hearing.</li> </ul> | <ul style="list-style-type: none"> <li>• 01/08/2014</li> <li>• 01/08/2014</li> <li>• 01/08/2014</li> <li>• 29/08/2014</li> </ul> |                              |
| <b>IDP</b>            |                                                                                                                                                                                                                                                                                                                                                                                                                         |                                                                                                                                  |                              |
| <b>September 2014</b> | <b>Analysis Phase (cont)</b>                                                                                                                                                                                                                                                                                                                                                                                            |                                                                                                                                  |                              |

| Month         | Activity                                                                                                                                                                                                                                                                                                  | Time-frame                                                                                                                                  |                              |
|---------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------|------------------------------|
|               |                                                                                                                                                                                                                                                                                                           | Ba-Phalaborwa Municipality                                                                                                                  | Mopani District Municipality |
|               | <ul style="list-style-type: none"> <li>IDP, Budget &amp; PMS Operational Meeting (Analysis Phase)</li> <li>IDP, Budget &amp; PMS Technical Meeting (Analysis Phase)</li> <li>IDP, Budget &amp; PMS Steering Meeting (Analysis Phase)</li> <li>IDP, Budget &amp; PMS Rep Forum (Analysis Phase)</li> </ul> | <ul style="list-style-type: none"> <li>05/09/2014</li> <li>09/09/2014</li> <li>12/09/2014</li> <li>23/09/2014</li> </ul>                    |                              |
| <b>Budget</b> |                                                                                                                                                                                                                                                                                                           |                                                                                                                                             |                              |
|               | <ul style="list-style-type: none"> <li>Circulate budget schedules to all departments</li> <li>Consolidate draft core departments business plans &amp; budgets</li> <li>Review resources frames and financial strategies</li> </ul>                                                                        | <ul style="list-style-type: none"> <li>27/09/2014 – 08/10/2014</li> <li>06/10/2014 – 13/10/2014</li> <li>29/09/2014 – 03/11/2014</li> </ul> |                              |
| <b>PMS</b>    |                                                                                                                                                                                                                                                                                                           |                                                                                                                                             |                              |
|               | <ul style="list-style-type: none"> <li>Individual performance assessment report 2013/14 Annual</li> <li>Submission of Final 2013/14 departmental Annual reports</li> </ul>                                                                                                                                | <ul style="list-style-type: none"> <li>05/09/2014</li> <li>25/09/2014</li> </ul>                                                            |                              |

| Month        | Activity                                                                                                                                                                                                                                                                                                                                                                                                            | Time-frame                                                                                          |                              |
|--------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------|------------------------------|
|              |                                                                                                                                                                                                                                                                                                                                                                                                                     | Ba-Phalaborwa Municipality                                                                          | Mopani District Municipality |
| MPAC         |                                                                                                                                                                                                                                                                                                                                                                                                                     |                                                                                                     |                              |
|              | <ul style="list-style-type: none"><li>4<sup>th</sup> Quarter Individual Performance Assessment Report</li></ul>                                                                                                                                                                                                                                                                                                     | <ul style="list-style-type: none"><li>30/09/2014</li></ul>                                          |                              |
| Budget       |                                                                                                                                                                                                                                                                                                                                                                                                                     |                                                                                                     |                              |
| October 2014 | <ul style="list-style-type: none"><li>Commence preparation for the 2015/16 departmental operational plans and service delivery and budget implementation plan aligned to strategic priorities in IDP and inputs from other stakeholders including government and bulk service providers (and NERSA)</li><li>Submission of departmental adjustment budgets</li><li>Departmental budgets inputs for 2015/16</li></ul> | <ul style="list-style-type: none"><li>12-15/12/2014</li><li>15/12/2014</li><li>15/12/2014</li></ul> |                              |
| PMS          |                                                                                                                                                                                                                                                                                                                                                                                                                     |                                                                                                     |                              |
|              | <ul style="list-style-type: none"><li>Continuation of preparations for 2014/15 annual report utilizing financial and non-financial information first reviewed as part of budget</li></ul>                                                                                                                                                                                                                           | <ul style="list-style-type: none"><li>01/10/2014 – 31/10/2014</li></ul>                             |                              |

| Month                | Activity                                                                                                                                                                                                                                                                                                                                                                                                           | Time-frame                                                                                                     |                              |
|----------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------|------------------------------|
|                      |                                                                                                                                                                                                                                                                                                                                                                                                                    | Ba-Phalaborwa Municipality                                                                                     | Mopani District Municipality |
|                      | <ul style="list-style-type: none"> <li>and IDP analysis</li> <li>• Compilation of 2014/15 first quarter institutional performance report.</li> </ul>                                                                                                                                                                                                                                                               | <ul style="list-style-type: none"> <li>• 01/10/2014 – 31/10/2014</li> </ul>                                    |                              |
| <b>MPAC</b>          |                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                                                                                |                              |
|                      | <ul style="list-style-type: none"> <li>• MPAC and Audit committee Quarterly meeting</li> </ul>                                                                                                                                                                                                                                                                                                                     | <ul style="list-style-type: none"> <li>• 31/10/2014</li> </ul>                                                 |                              |
| <b>Budget</b>        |                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                                                                                |                              |
| <b>November 2014</b> | <ul style="list-style-type: none"> <li>• Community and stakeholder consultation process, review inputs, financial models, assess impacts on tariffs and charges and consider funding decisions including borrowing. Adjust estimates based on plans and resources. Commence consultation on the proposed tariffs. Check the tariff submission date and align.</li> <li>• Draft five year Financial Plan</li> </ul> | <ul style="list-style-type: none"> <li>• 01/11/2014 – 30/11/2014</li> <li>• 01/11/2014 – 30/11/2014</li> </ul> |                              |
| <b>PMS</b>           |                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                                                                                |                              |
|                      | <ul style="list-style-type: none"> <li>• Mayoral Imbizo on first</li> </ul>                                                                                                                                                                                                                                                                                                                                        | <ul style="list-style-type: none"> <li>• 11/11/2014–18/11/2014</li> </ul>                                      |                              |

| Month                | Activity                                                                                                                                                                                                                                                                                                                        | Time-frame                                                                                                                                    |                              |
|----------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------|------------------------------|
|                      |                                                                                                                                                                                                                                                                                                                                 | Ba-Phalaborwa Municipality                                                                                                                    | Mopani District Municipality |
|                      | quarter performance                                                                                                                                                                                                                                                                                                             |                                                                                                                                               |                              |
| <b>MPAC</b>          |                                                                                                                                                                                                                                                                                                                                 |                                                                                                                                               |                              |
|                      | <ul style="list-style-type: none"> <li>• Consideration of Annual Institutional Performance Report</li> <li>• Collection of public comments during mayoral Imbizo on 1<sup>st</sup> Quarter performance</li> <li>• Probe 1<sup>st</sup> Quarter Performance Report and public hearing.</li> <li>• MPAC District forum</li> </ul> | <ul style="list-style-type: none"> <li>• 03/11/2014</li> <li>• 12/11/2014 – 19/11/2014</li> <li>• 27/11/2014</li> <li>• 28/11/2014</li> </ul> |                              |
| <b>IDP</b>           |                                                                                                                                                                                                                                                                                                                                 |                                                                                                                                               |                              |
| <b>December 2014</b> | <b>Strategies Phase</b>                                                                                                                                                                                                                                                                                                         |                                                                                                                                               | <b>31 January 2014</b>       |
|                      | <ul style="list-style-type: none"> <li>• Strategic Session</li> </ul>                                                                                                                                                                                                                                                           | <ul style="list-style-type: none"> <li>• 02/12/2014 – 05/12/2014</li> </ul>                                                                   |                              |
| <b>PMS</b>           |                                                                                                                                                                                                                                                                                                                                 |                                                                                                                                               |                              |
|                      | <ul style="list-style-type: none"> <li>• Oversight training for MPAC members for probing the 2013/14 annual report.</li> <li>• Finalize the draft annual report incorporating financial and non financial information on performance, audit reports and annual financial statements</li> </ul>                                  | <ul style="list-style-type: none"> <li>• 02/12/2014–13/12/2014</li> <li>• 14/12/2014</li> <li>• 20/12/2014</li> </ul>                         |                              |

| Month               | Activity                                                                                                                                                                                                                                                                                                                                                                       | Time-frame                                                                                                                                   |                              |
|---------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------|------------------------------|
|                     |                                                                                                                                                                                                                                                                                                                                                                                | Ba-Phalaborwa Municipality                                                                                                                   | Mopani District Municipality |
|                     | <ul style="list-style-type: none"> <li>Present draft annual report to Municipal Manager</li> </ul>                                                                                                                                                                                                                                                                             |                                                                                                                                              |                              |
| <b>MPAC</b>         |                                                                                                                                                                                                                                                                                                                                                                                |                                                                                                                                              |                              |
|                     | <ul style="list-style-type: none"> <li>Develop schedule for considering the 2013/14 Annual Report</li> </ul>                                                                                                                                                                                                                                                                   | <ul style="list-style-type: none"> <li>01/12/2014</li> </ul>                                                                                 |                              |
| <b>IDP</b>          |                                                                                                                                                                                                                                                                                                                                                                                |                                                                                                                                              |                              |
| <b>January 2015</b> | <b>Strategies Phase (cont)</b> <ul style="list-style-type: none"> <li>IDP, Budget &amp; PMS Operational Meeting</li> <li>IDP/Budget &amp; PMS Technical Meeting (Strategic Plan)</li> <li>Advisory Board meeting with Municipal Manager</li> <li>IDP/Budget &amp; PMS Steering Committee (Strategic Plan)</li> <li>IDP/Budget &amp; PMS Rep. Forum (Strategic Plan)</li> </ul> | <ul style="list-style-type: none"> <li>13/01/2015</li> <li>16/01/2015</li> <li>19/01/2015</li> <li>21/01/2015</li> <li>29/01/2015</li> </ul> | <b>31 January 2015</b>       |
| <b>Budget</b>       |                                                                                                                                                                                                                                                                                                                                                                                |                                                                                                                                              |                              |
|                     | <ul style="list-style-type: none"> <li>Finalise the 2015/16 inputs from bulk resource providers (and NERSA) and agree on proposed price increase. (Align after submission of</li> </ul>                                                                                                                                                                                        | <ul style="list-style-type: none"> <li>01/12/2015 – 09/12/2015</li> </ul>                                                                    |                              |

| Month      | Activity                                                                                                                                                                                                                                                                                                                                                                                                                                                               | Time-frame                                                                                                                          |                              |
|------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------|------------------------------|
|            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | Ba-Phalaborwa Municipality                                                                                                          | Mopani District Municipality |
|            | <p>proposed tariffs )</p> <ul style="list-style-type: none"> <li>• Mid-Year Performance Assessment and recommend and adjustment budget, if necessary.</li> <li>• Incorporate priorities from the President's State of the Nation Address, National Treasury and SALGA for further budget consideration.</li> <li>• Review all aspects of the 2014/15 budget including any unforeseen and unavoidable expenditure in light of need for an adjustment budget.</li> </ul> | <ul style="list-style-type: none"> <li>• 26/01/2015</li> <li>• 22/01/2015– 26/01/2015</li> <li>• 08/01/2015 – 26/01/2015</li> </ul> |                              |
| <b>PMS</b> |                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                                                                                                                     |                              |
|            | <ul style="list-style-type: none"> <li>• Compilation of 2014/15 Mid-year report</li> <li>• Mayor tables 2013/14 annual report to council</li> <li>• Make public the 2013/14 annual report and invite comments from local community, submit report to Auditor-General, Provincial</li> </ul>                                                                                                                                                                            | <ul style="list-style-type: none"> <li>• 02/01/2015 – 20/01/2015</li> <li>• 29/01/2015</li> <li>• 30/01/2015</li> </ul>             |                              |



| Month       | Activity                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | Time-frame                                                                                           |                              |
|-------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------|------------------------------|
|             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Ba-Phalaborwa Municipality                                                                           | Mopani District Municipality |
|             | <p>Treasury &amp; CoGHSTA</p> <ul style="list-style-type: none"> <li>Consider monthly &amp; mid-year reports for the period ended 31 December 2014.</li> <li>Review implementation of budget and service delivery plan (SDBIP), identify problems and amend or recommend appropriate amendments. Submit report to council and make public any amendments to the SDBIP by the end of January 2015</li> <li>Mayor reports to Council the status of next three year budget, 2013/14 annual report (including AFS &amp; audit report) and summarizes overall findings of 2013/14 annual performance report.</li> </ul> | <ul style="list-style-type: none"> <li>30/01/2015</li> <li>30/01/2015</li> <li>30/01/2015</li> </ul> |                              |
| <b>MPAC</b> |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                                                                      |                              |
|             | <ul style="list-style-type: none"> <li>MPAC and Audit committee</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | <ul style="list-style-type: none"> <li>30/01/2015</li> </ul>                                         |                              |

| Month         | Activity                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | Time-frame                                                                                                                                                                                                                                                      |                              |
|---------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------|
|               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | Ba-Phalaborwa Municipality                                                                                                                                                                                                                                      | Mopani District Municipality |
|               | Quarterly meeting                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                                                                                                                                                                                                                                                 |                              |
| IDP           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                                                                                                                                                                                                                                                 |                              |
| February 2015 | <b>Projects and Integration Phase</b> <ul style="list-style-type: none"> <li>• Develop a list of project</li> <li>• Project prioritisation task team establishment</li> <li>• Submission of Sector Plans</li> <li>• IDP, Budget &amp; PMS Operational meeting (Projects prioritisation and Sector plans)</li> <li>• IDP, Budget &amp; PMS Technical meeting (Projects prioritisation and Sector plans)</li> <li>• Advisory Board meeting with Municipal Manager</li> <li>• IDP, Budget &amp; PMS Steering meeting (Projects prioritisation and Sector plans)</li> <li>• IDP, Budget &amp; PMS Representative Forum (Projects prioritisation and Sector plans).</li> </ul> | <ul style="list-style-type: none"> <li>• 27/01/2015 – 07/02/2015</li> <li>• 10/02/2015 – 14/02/2015</li> <li>• 03/02/2015 – 11/02/2015</li> <li>• 11/02/2015</li> <li>• 13/02/2015</li> <li>• 17/02/2015</li> <li>• 19/02/2015</li> <li>• 25/02/2015</li> </ul> | 28 February 2015             |

| Month  | Activity                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | Time-frame                                                                                                                                                                                 |                              |
|--------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------|
|        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Ba-Phalaborwa Municipality                                                                                                                                                                 | Mopani District Municipality |
| Budget |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                                                                                                                                                            |                              |
|        | <ul style="list-style-type: none"><li>• Incorporate directives from the National budget and Provincial and National allocations to municipalities into budget.</li><li>• Mid-Year budget and Performance Assessment (Treasury Visits)</li><li>• Finalise the 2015/16 detailed operating &amp; capital budgets in the prescribed formats incorporating National and Provincial budget allocations, integrate and align to IDP documentation and draft SDBIP, finalise budget policies including tariff policy.</li><li>• Tabling and approval of an adjustments budget (if necessary)</li></ul> | <ul style="list-style-type: none"><li>• 02/02/2015 – 28/02/2015</li><li>• 01/02/2015 – 31/03/2015</li></ul> <p>12/02/2015</p> <ul style="list-style-type: none"><li>• 13/02/2015</li></ul> |                              |
| PMS    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                                                                                                                                                            |                              |
|        | <ul style="list-style-type: none"><li>• Individual Performance Assessments 2014/15 Mid-year</li><li>• Place 2013/14 annual report</li></ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                    | <ul style="list-style-type: none"><li>• 02/02/2015– 28/02/2015</li><li>• 04/02/2015</li></ul>                                                                                              |                              |

| Month             | Activity                                                                                                                                                                                                                                                                                                                                                                | Time-frame                                                                                                                                                                                                                                                       |                              |
|-------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------|
|                   |                                                                                                                                                                                                                                                                                                                                                                         | Ba-Phalaborwa Municipality                                                                                                                                                                                                                                       | Mopani District Municipality |
|                   | on the municipal website <ul style="list-style-type: none"> <li>Mayoral Imbizo</li> </ul>                                                                                                                                                                                                                                                                               | <ul style="list-style-type: none"> <li>04/02/2015 – 16/02/2015</li> </ul>                                                                                                                                                                                        |                              |
| <b>MPAC</b>       |                                                                                                                                                                                                                                                                                                                                                                         |                                                                                                                                                                                                                                                                  |                              |
|                   | <ul style="list-style-type: none"> <li>Considering the 2013/14 annual report</li> <li>Consider the 2014/15 Mid Year Report</li> <li>Review individual annual performance report for 2013/14</li> <li>Technical committee</li> <li>Scopa Hearing</li> <li>Visit projects</li> <li>Public Hearing on Mid Year report (2014/15)</li> <li>District forum meeting</li> </ul> | <ul style="list-style-type: none"> <li>02/02/2015–27/02/2015</li> <li>02/02/2015</li> <li>02/02/2015</li> <li>06/02/2015</li> <li>11/02/2015 <ul style="list-style-type: none"> <li>17–18/02/2015</li> </ul> </li> <li>25/02/2015</li> <li>27/02/2015</li> </ul> |                              |
| <b>IDP</b>        |                                                                                                                                                                                                                                                                                                                                                                         |                                                                                                                                                                                                                                                                  |                              |
| <b>March 2015</b> | <b>Approval Phase (Draft IDP)</b> <ul style="list-style-type: none"> <li>IDP, Budget &amp; PMS operational meeting (Draft 2014/15 IDP, Budget &amp; PMS)</li> <li>IDP, Budget &amp; PMS Technical meeting (Draft</li> </ul>                                                                                                                                             | <ul style="list-style-type: none"> <li>05/03/2015</li> <li>10/03/2015</li> </ul>                                                                                                                                                                                 | <b>31 March 2015</b>         |

| Month         | Activity                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | Time-frame                                                                                                                                                          |                              |
|---------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------|
|               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | Ba-Phalaborwa Municipality                                                                                                                                          | Mopani District Municipality |
|               | 2014/15 IDP, Budget & PMS )<br><ul style="list-style-type: none"> <li>• IDP, Budget &amp; PMS Steering meeting (Draft 2014/15 IDP, Budget &amp; PMS )</li> <li>• IDP, Budget &amp; PMS Representative Forum (Draft 2014/15 IDP, Budget &amp; PMS )</li> <li>• Establishment of IDP, Budget &amp; PMS Public Participation Teams.</li> <li>• Mayor table Draft IDP, Budget &amp; PMS for adoption by Council.</li> <li>• Publication of the IDP, Budget &amp; PMS Public Participation schedule</li> </ul> | <ul style="list-style-type: none"> <li>• 13/03/2015</li> <li>• 17/03/2014</li> <li>• 17/03/2014 – 21/03/2014</li> <li>• 31/03/2014</li> <li>• 29/03/2014</li> </ul> |                              |
| <b>Budget</b> |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                                                                                                                                                     |                              |
|               | <ul style="list-style-type: none"> <li>• Consolidation of Draft 2014/15 annual budget.</li> <li>• Incorporate changes in prices for bulk resources and finalise tariff proposals for all charges.</li> </ul>                                                                                                                                                                                                                                                                                              | <ul style="list-style-type: none"> <li>• 04/03/2015</li> <li>• 13/03/2015</li> </ul>                                                                                |                              |

| Month      | Activity                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | Time-frame                                                                                                                                    |                              |
|------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------|------------------------------|
|            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Ba-Phalaborwa Municipality                                                                                                                    | Mopani District Municipality |
|            | <ul style="list-style-type: none"> <li>• Adoption of the reviewed Draft rates policy and Draft Property rates by -laws</li> <li>• Distribute all budget documentation prior to meeting at which budget is to be tabled.</li> <li>• Table in Council the 2015/16 annual budget &amp; all supporting documents.</li> <li>• Submit the 2015/16 approved adjustments budget to the Provincial &amp; National Treasury &amp; any other affected organ of state (10 days after approval.)</li> </ul> | <ul style="list-style-type: none"> <li>• 18/03/2015 – 22/03/2015</li> <li>• 27/03/2015</li> <li>• 28/03/2015</li> <li>• 12/03/2015</li> </ul> |                              |
| <b>PMS</b> |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                                                                                                               |                              |
|            | <ul style="list-style-type: none"> <li>• Compile Individual performance assessment report (2014/15 Mid -Year )</li> <li>• Council adopts the 2013/14 annual report with the comments of the oversight committee.</li> </ul>                                                                                                                                                                                                                                                                    | <ul style="list-style-type: none"> <li>• 13/03/2015</li> <li>• 31/03/2015</li> </ul>                                                          |                              |

| Month             | Activity                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Time-frame                                                                                                                                                                                                               |                              |
|-------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------|
|                   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | Ba-Phalaborwa Municipality                                                                                                                                                                                               | Mopani District Municipality |
|                   | <ul style="list-style-type: none"> <li>• Submit draft 2015/16 SDBIP to the Mayor</li> <li>• Submit draft 2015/16 annual performance agreements to the Mayor</li> </ul>                                                                                                                                                                                                                                                                                               | <ul style="list-style-type: none"> <li>• 27/03/2015</li> <li>• 27/03/2015</li> </ul>                                                                                                                                     |                              |
| <b>MPAC</b>       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                                                                                                                                                                                                          |                              |
|                   | <ul style="list-style-type: none"> <li>• Considering the 2013/14 Annual Report</li> <li>• Consider the 2014/15 SDBIP Review against the Adjustments Budgets</li> <li>• Review MPAC Work programme</li> <li>• Submit Draft MPAC Work programme to council for approval</li> <li>• Submit Draft Oversight Report and Annual Report to Council</li> <li>• Review the individual performance report for section 57</li> <li>• Public Hearing on Annual Report</li> </ul> | <ul style="list-style-type: none"> <li>• 02/03/2014-16/03/2015</li> <li>• 02/03/2014-16/03/2015</li> <li>• 02/03/2015-16/03/2015</li> <li>• 27/03/2015</li> <li>• 27/03/2015</li> <li>• 02/03/2015-31/03/2015</li> </ul> |                              |
| <b>IDP</b>        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                                                                                                                                                                                                          |                              |
| <b>April 2015</b> | <b>Approval Phase (Draft IDP cont)</b>                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                                                                                                                                                                                          | <b>30 April 2015</b>         |

| Month         | Activity                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Time-frame                                                                                                                                  |                              |
|---------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------|------------------------------|
|               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | Ba-Phalaborwa Municipality                                                                                                                  | Mopani District Municipality |
|               | <ul style="list-style-type: none"> <li>Budget and Benchmark Assessments (Treasury visits)</li> <li>Consultations on tabled Draft 2015/16 IDP, Budget &amp; PMS</li> </ul>                                                                                                                                                                                                                                                                                                             | <ul style="list-style-type: none"> <li>01/04/2015 – 31/05/2015</li> <li>06/04/2015 – 24/04/2015</li> </ul>                                  |                              |
| <b>Budget</b> |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                                                                                                                                             |                              |
|               | <ul style="list-style-type: none"> <li>Make public the 2015/16 tabled annual budget &amp; accompanying budget documentation, invite the community to submit representations and submit to Provincial &amp; National Treasury and other affected organs of state.</li> <li>Consultation on tabled budget, publicise and conduct public hearings and meetings within wards.</li> <li>Consultation with the public on the tabled Draft Rates Policy and Property rates by law</li> </ul> | <ul style="list-style-type: none"> <li>09/04/2015 – 23/04/2015</li> <li>09/04/2015 – 23/04/2015</li> <li>01/04/2015 – 23/04/2015</li> </ul> |                              |
| <b>PMS</b>    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                                                                                                                                             |                              |



| Month       | Activity                                                                                                                                                                                                                                                                                                                                                                                                   | Time-frame                                                                                                                                                                                                                                   |                              |
|-------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------|
|             |                                                                                                                                                                                                                                                                                                                                                                                                            | Ba-Phalaborwa Municipality                                                                                                                                                                                                                   | Mopani District Municipality |
|             | <ul style="list-style-type: none"> <li>• Submit the 2013/14 Annual Report &amp; Oversight Report to Provincial Treasury, CoGHSTA, AG and Legislature.</li> <li>• Make public the 2013/14 oversight report</li> <li>• Submission of third quarter performance report</li> </ul>                                                                                                                             | <ul style="list-style-type: none"> <li>• 09/04/2015</li> <li>• 09/04/2015</li> <li>• 09/04/2015</li> </ul>                                                                                                                                   |                              |
| <b>MPAC</b> |                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                                                                                                                                                                                              |                              |
|             | <ul style="list-style-type: none"> <li>• Consider the Draft IDP, Budget and PMS</li> <li>• Consider proposed municipal tariffs</li> <li>• Collection of public representations on municipal tariffs and Capital plan</li> <li>• Consider the 2015/16 Draft SDBIP</li> <li>• Technical committee meeting</li> <li>• District forum meeting</li> <li>• MPAC and Audit committee Quarterly meeting</li> </ul> | <ul style="list-style-type: none"> <li>• 01/04/2015-30/04/2015</li> <li>• 01/04/2015-30/04/2015</li> <li>• 01/04/2015-30/04/2015</li> <li>• 01/04/2015-30/04/2015</li> <li>• 09/04/2015</li> <li>• 23/4/2015</li> <li>• 30/4/2015</li> </ul> |                              |
| <b>IDP</b>  |                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                                                                                                                                                                                              |                              |

| Month    | Activity                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | Time-frame                                                                                                                                                                                                      |                              |
|----------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------|
|          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | Ba-Phalaborwa Municipality                                                                                                                                                                                      | Mopani District Municipality |
| May 2015 | <b>Approval Phase (Final IDP)</b> <ul style="list-style-type: none"> <li>• IDP, Budget &amp; PMS Operational Teams (Analysis &amp; integration of public comments)</li> <li>• IDP, Budget &amp; PMS Technical meeting (Analysis &amp; integration of public comments)</li> <li>• IDP, Budget &amp; PMS Steering meeting (analysis &amp; integration of public comments)</li> <li>• IDP, Budget &amp; PMS Representative meeting (analysis &amp; integration of public comments)</li> <li>• Adjustment of IDP, Budget &amp; PMS in accordance with public comments</li> <li>• Exco considers Draft IDP, Budget &amp; PMS</li> <li>• Mayor tables Final 2015/16 IDP, Budget &amp; PMS for final</li> </ul> | <ul style="list-style-type: none"> <li>• 06/05/2015</li> <li>• 08/05/2015</li> <li>• 12/05/2015</li> <li>• 15/05/2015</li> <li>• 15/05/2015 – 19/05/2015</li> <li>• 28/05/2014</li> <li>• 31/05/2014</li> </ul> | 31 May 2015                  |

| Month         | Activity                                                                                                                                                                                                                                                                                                                                     | Time-frame                                                                                                                   |                              |
|---------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------|------------------------------|
|               |                                                                                                                                                                                                                                                                                                                                              | Ba-Phalaborwa Municipality                                                                                                   | Mopani District Municipality |
|               | approval/adoption                                                                                                                                                                                                                                                                                                                            |                                                                                                                              |                              |
| <b>Budget</b> |                                                                                                                                                                                                                                                                                                                                              |                                                                                                                              |                              |
|               | <ul style="list-style-type: none"> <li>Consider the views of the community and other stakeholders on the 2015/16 budget.</li> <li>Respond to submissions received &amp; if necessary revise the budget and table amendments for council consideration.</li> <li>Mayor tables Final 2015/16 Rates policy and Property rates by-law</li> </ul> | <ul style="list-style-type: none"> <li>14/05/2015 – 17/05/2015</li> <li>15/05/2015 – 18/05/2015</li> </ul> <p>31/05/2015</p> |                              |
| <b>PMS</b>    |                                                                                                                                                                                                                                                                                                                                              |                                                                                                                              |                              |
|               | <ul style="list-style-type: none"> <li>Approve the 2015/16 SDBIP-final date under legislation 26 July 2015</li> </ul>                                                                                                                                                                                                                        | <ul style="list-style-type: none"> <li>31/05/2015</li> </ul>                                                                 |                              |
| <b>MPAC</b>   |                                                                                                                                                                                                                                                                                                                                              |                                                                                                                              |                              |
|               | <ul style="list-style-type: none"> <li>Consider the Draft IDP, Budget and PMS</li> <li>Make recommendations to council on municipal tariffs and capital plan</li> </ul>                                                                                                                                                                      | <ul style="list-style-type: none"> <li>01/05/2015–20/05/2015</li> <li>11/05/2015–20/05/2015</li> </ul>                       |                              |

| Month            | Activity                                                                                                                                                                                                                                                               | Time-frame                                                                                                         |                              |
|------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------|------------------------------|
|                  |                                                                                                                                                                                                                                                                        | Ba-Phalaborwa Municipality                                                                                         | Mopani District Municipality |
|                  | <ul style="list-style-type: none"> <li>Consider third Quarter</li> <li>District wide session.</li> <li>Institutional Performance Report</li> <li>Probing and public hearing on third Quarter Institutional Performance Report.</li> </ul>                              | <ul style="list-style-type: none"> <li>01/05/2015–20/05/2015</li> <li>20–22/05/2015</li> <li>25/05/2015</li> </ul> |                              |
| <b>IDP</b>       |                                                                                                                                                                                                                                                                        |                                                                                                                    |                              |
| <b>June 2014</b> | <ul style="list-style-type: none"> <li>Public Notice on the adoption of IDP, Budget &amp; PMS</li> <li>Summary of IDP &amp; public notice on the final approval</li> <li>Submission of the Final Approved IDP to the MEC for Local Government &amp; Housing</li> </ul> | <ul style="list-style-type: none"> <li>07/06/2015</li> <li>11/06/2015</li> <li>14/06/2015</li> </ul>               | <b>30 June 2015</b>          |
| <b>Budget</b>    |                                                                                                                                                                                                                                                                        |                                                                                                                    |                              |
|                  | <ul style="list-style-type: none"> <li>Submit approved IDP/Budget to National &amp; Provincial Treasury, CoGHSTA and District ( 10 working days after approval )</li> </ul>                                                                                            | <ul style="list-style-type: none"> <li>12/06/2015</li> </ul>                                                       |                              |
| <b>MPAC</b>      |                                                                                                                                                                                                                                                                        |                                                                                                                    |                              |
|                  | <ul style="list-style-type: none"> <li>Consider the alignment of final IDP, Budget, PMS and MPAC Work Programme</li> </ul>                                                                                                                                             | <ul style="list-style-type: none"> <li>01/06/2015 – 15/06/2015</li> </ul>                                          |                              |

## 6. OVERVIEW OF ALIGNMENT OF ANNUAL BUDGET WITH INTEGRATED DEVELOPMENT PLAN

### 6.1.VISION OF THE MUNICIPALITY

The vision was therefore revised as follows:

***“Provision Of Quality Services For Community Well-Being And Tourism Development”***

### 6.2.FIVE YEAR STRATEGIC FOCUS AREA

**Good governance and institutional excellence:** The learning and growth perspective entails skills development and capacitating of employees. Employees are the foundation of the municipality; if employees are skilled and capacitated they will improve the ways they work and both service delivery and individual performance will improve. This perspective will also include leadership, financial and management training. This objective will address NSDP priority area “Effective administration and governance structure.”

**Provide, maintain and upgrade municipal assets and services:** The core function of the municipality is to provide access to services. Ba-Phalaborwa experiences the following challenges as mentioned under the binding constraints in the strategic alignment and which is directly linked to the NSDP and PGDS: Infrastructure development, poor maintenance plans and infrastructure development plans. If these are not addressed, the municipality will not be able to provide sustainable services to the community and investment and economic growth in the municipal area will be challenged. The infrastructure master plan such as Electricity, roads and water master plans to be developed as a matter of urgency to unlock gaps of the challenges of the infrastructure.

**Environmental sustainability:** PGDS strategic objective deals with environmental sustainability and climate change. A priority mentioned in the PGDS is that all municipalities have to have environmental management plans. Also mentioned are waste management plans,

recycling of waste and water and alternative energy plan. Ba-Phalaborwa plays a leading role in the achievement of this objective as mentioned under NSDP and PGDS priorities.

**Develop effective and sustainable stakeholder relationships and partnerships:** With the small revenue base it is crucial that partnerships be formed and stakeholder relationships built to ensure cooperation and development of Ba-Phalaborwa and its community. Ba-Phalaborwa has established strategic relationships with the mines, Phalaborwa Foundation and DBSA. Stakeholder management, however, is not structured.

**Facilitate local economic growth and provide for mobility and access:** The best way to alleviate poverty, curb unemployment and address social problems is to ensure that there are enough jobs so that everybody in the community can earn a living. Ba-Phalaborwa has various projects and initiatives to alleviate poverty and stimulate economic growth. Ba-Phalaborwa's location has established it as developmental and economic nodes in tourism, mining, agriculture and a service node.

**Become financially viable:** To be sustainable, it is necessary for the municipality to increase its revenue base through expanding its collection points, partnership and investment in the area. Again, investment will only be achieved if the necessary infrastructure is provided and therefore maintenance, upgrading and replacement of infrastructure is of utmost importance for the municipality.

**Ensure community well-being;** Community well-being does not only have to do with provision of services, but also deals with priorities such as HIV/Aids, education, health, safety and security and literacy. Ba-Phalaborwa strives, together with its stakeholders and partnerships to achieve on all these priorities to ensure healthy and sustained community.

### 6.3.ALIGNMENT OF IDP WITH NATIONAL AND PROVINCIAL GOVERNMENT

| Cluster               | PERSPECTIVE            | MTSF                                                                                                     | COGTA                                                                             | MTAS                                                                               | LEGDP (PGDS)                                                                        | OUTCOME 9                                                            | COGTA BUSINESS PLAN 2010/2011                                                                                                                                                                                                                                  | STRATEGIC AGENDA KPA       | NATIONAL DEVELOPMENT PLAN                                                              | BA-PHALABORWA                                                |
|-----------------------|------------------------|----------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------|------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------|----------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------|----------------------------------------------------------------------------------------|--------------------------------------------------------------|
| Economic              | Financial              | 1. Speed up economic growth and transform the economy to create decent work and sustainable livelihoods. |                                                                                   |                                                                                    | 1. Ensuring more inclusive economic growth, decent work and sustainable livelihoods | 3. Implement the community work programme and cooperatives supported | 1: Contribute to building a Developmental State in National, Provincial and Local Government that is efficient, effective and responsive ( Enhance the municipal contribution to job creation and sustainable livelihoods through Local Economic Development ) | Local Economic Development | An economy that will create more jobs<br><br>An inclusive and integrated rural economy | Promotion of the local economy                               |
| Social Infrastructure | Community Satisfaction | 5. Improve the health profile of society                                                                 | 5. Fostering Development Partnerships, Social Cohesion and community mobilisation | 5. Strengthen partnerships between local government, communities and civil society | 4. Access to quality education                                                      |                                                                      |                                                                                                                                                                                                                                                                | Basic Service Delivery     | Improving the quality of education, training and innovation                            | Integrate social development and services for sustainability |
| Social Infrastructure | Community Satisfaction |                                                                                                          |                                                                                   |                                                                                    | 5. Improved health care                                                             |                                                                      |                                                                                                                                                                                                                                                                | Basic Service Delivery     | Quality health care for all                                                            | Integrate social development and services for sustainability |

| Cluster                  | PERSPECTIVE             | MTSF                                                        | COGTA                                                          | MTAS | LEGDP (PGDS)                                        | OUTCOME 9                            | COGTA BUSINESS PLAN 2010/2011                                                                                                                                                                                                                | STRATEGIC AGENDA KPA   | NATIONAL DEVELOPMENT PLAN                                                                 | BA-PHALABORWA                                                   |
|--------------------------|-------------------------|-------------------------------------------------------------|----------------------------------------------------------------|------|-----------------------------------------------------|--------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------|-------------------------------------------------------------------------------------------|-----------------------------------------------------------------|
| Social Infrastructure    | Community Satisfaction  | 6. Intensify the fight against crime and corruption         |                                                                |      | 6. Fighting crime and corruption                    |                                      |                                                                                                                                                                                                                                              | Basic Service Delivery | Fighting corruption                                                                       | Integrate social development and services for sustainability    |
| Social Infrastructure    | Community Satisfaction  | 7. Building of cohesive, caring and sustainable communities |                                                                |      | 8. Cohesive and sustained communities               |                                      |                                                                                                                                                                                                                                              | Basic Service Delivery | An inclusive and integrated rural economy<br>Transforming society and uniting the country | Integrate social development and services for sustainability    |
| Social Infrastructure    | Community Satisfaction  |                                                             | 3. Accelerating service delivery and supporting the vulnerable |      | 3. Rural development, food security and land reform |                                      |                                                                                                                                                                                                                                              | Basic Service Delivery | An inclusive and integrated rural economy                                                 | Provision of sustainable integrated infrastructure and services |
| Technical Infrastructure | Institutional Processes |                                                             | 3. Accelerating service delivery and supporting the vulnerable |      |                                                     | 2. Improved access to basic services | 3. Accelerating service delivery and supporting the vulnerable<br>(Improve the quantity and quality of municipal basic services to the people in the areas of access to water, sanitation, electricity, waste management, roads and disaster | Basic Service Delivery | Improving infrastructure                                                                  | Provision of sustainable integrated infrastructure and services |



| Cluster                  | PERSPECTIVE             | MTSF                                                              | COGTA                                                          | MTAS                                                              | LEGDP (PGDS)                                       | OUTCOME 9                                                                                             | COGTA BUSINESS PLAN 2010/2011                                                                                                                                                   | STRATEGIC AGENDA KPA   | NATIONAL DEVELOPMENT PLAN                                | BA-PHALABORWA                                                   |
|--------------------------|-------------------------|-------------------------------------------------------------------|----------------------------------------------------------------|-------------------------------------------------------------------|----------------------------------------------------|-------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------|----------------------------------------------------------|-----------------------------------------------------------------|
|                          |                         |                                                                   |                                                                |                                                                   |                                                    |                                                                                                       | management )                                                                                                                                                                    |                        |                                                          |                                                                 |
| Technical Infrastructure | Institutional Processes | 2. Massive programmes to build economic and social infrastructure |                                                                | 1. Ensure that municipalities meet the basic needs of communities |                                                    | 1. Implement a differentiated approach to municipal financing, planning and support (Outcome 2 and 3) | 1: Contribute to building a Developmental State in National, Provincial and Local Government (Implement a differentiated approach to municipal financing, planning and support) | Basic Service Delivery | Reforming public service<br><br>Improving infrastructure | Provision of sustainable integrated infrastructure and services |
| Technical Infrastructure | Institutional Processes |                                                                   | 3. Accelerating service delivery and supporting the vulnerable |                                                                   | 2. Provision of economic and social infrastructure |                                                                                                       |                                                                                                                                                                                 | Basic Service Delivery | Improving infrastructure                                 | Provision of sustainable integrated infrastructure and services |
| Technical Infrastructure | Institutional Processes | 3. Comprehensive rural development                                |                                                                |                                                                   |                                                    |                                                                                                       |                                                                                                                                                                                 | Basic Service Delivery | Improving infrastructure<br><br>An inclusive and         | Provision of sustainable integrated infrastructure              |

| Cluster                       | PERSPECTIVE             | MTSF                                                          | COGTA                                                                                   | MTAS | LEGDP (PGDS)                               | OUTCOME 9                                                    | COGTA BUSINESS PLAN 2010/2011                                                                                                                                 | STRATEGIC AGENDA KPA                         | NATIONAL DEVELOPMENT PLAN          | BA-PHALABORWA                                      |
|-------------------------------|-------------------------|---------------------------------------------------------------|-----------------------------------------------------------------------------------------|------|--------------------------------------------|--------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------|------------------------------------|----------------------------------------------------|
|                               |                         | strategy linked to land and agrarian reform and food security |                                                                                         |      |                                            |                                                              |                                                                                                                                                               |                                              | integrated rural economy           | and services                                       |
| Technical Infrastructure      | Institutional Processes | 9. Sustainable resource management and use                    |                                                                                         |      | 9. Sustainable resource management and use |                                                              |                                                                                                                                                               | Basic Service Delivery                       | Transition to a low-carbon economy | Sustain the environment                            |
| Governance and Administration | Institutional Processes |                                                               |                                                                                         |      |                                            | 6: Improved municipal financial and administrative capacity  | 2: Strengthen Accountability and Clean Government (Develop a coherent and cohesive system of governance and a more equitable intergovernmental fiscal system) | Municipal Financial Viability and Management | Reforming the public service       | Improve financial viability                        |
| Governance and Administration | Institutional Processes |                                                               | 4. Improving the Developmental Capability of the Institution of Traditional Leadership. |      |                                            | 5. Deepened democracy through a refined ward committee model | 3: Accelerating Service Delivery and supporting the Vulnerable (Deepen democracy through a refined ward committee model)                                      | Good Governance and Public Participation     | Reforming the public service       | Good Corporate governance and Public Participation |

| Cluster                       | PERSPECTIVE             | MTSF                                                                                                                   | COGTA                                                                                                              | MTAS                                                        | LEGDP (PGDS)                                                       | OUTCOME 9                                          | COGTA BUSINESS PLAN 2010/2011                                                                                                                                                                                                        | STRATEGIC AGENDA KPA                                    | NATIONAL DEVELOPMENT PLAN                 | BA-PHALABORWA                                      |
|-------------------------------|-------------------------|------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------|--------------------------------------------------------------------|----------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------|-------------------------------------------|----------------------------------------------------|
| Governance and Administration | Institutional Processes | 3. Comprehensive rural development strategy linked to land and agrarian reform and food security                       |                                                                                                                    |                                                             | 3. Rural development, food security and land reform                | 4. Actions supportive of human settlement outcomes | 1: Contribute to building a Developmental State in National, Provincial and Local Government that is efficient, effective and responsive (Ensure the development and adoption of reliable and credible integrated Development Plans) | Municipal Transformation and Organisational Development | Reversing the spatial effect of apartheid | Facilitate sustainable development                 |
| Governance and Administration | Institutional Processes | 10. Building of a developmental state including improving of public services and strengthening democratic institutions | 1. Building the Developmental State in Provincial and Local Government that is efficient, effective and responsive | 2. Build clean, responsive and accountable local government | 10. A developmental state including improvement of public services | 7. Single Window of coordination                   | 1: Contribute to building a Developmental State in National, Provincial and Local Government (Create a single window of coordination for the support, monitoring and intervention in municipalities)                                 | Good Governance and Public Participation                | Reforming the public service              | Good Corporate governance and Public Participation |

| Cluster                       | PERSPECTIVE             | MTSF | COGTA                                             | MTAS                                                                        | LEGDP (PGDS)                               | OUTCOME 9                           | COGTA BUSINESS PLAN 2010/2011                                                                                                                                                            | STRATEGIC AGENDA KPA                                                                                | NATIONAL DEVELOPMENT PLAN    | BA-PHALABORWA                                      |
|-------------------------------|-------------------------|------|---------------------------------------------------|-----------------------------------------------------------------------------|--------------------------------------------|-------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------|------------------------------|----------------------------------------------------|
| Governance and Administration | Institutional Processes |      | 2. Strengthen Accountability and Clean Government | 3. Improve functionality, performance and professionalism in municipalities | 9. Sustainable resource management and use | 6. Improved administrative capacity | 1: Contribute to building a Developmental State in National, Provincial and Local Government (Develop and strengthen a politically and administratively stable system of municipalities) | Good Governance and Public Participation                                                            | Reforming the public service | Good Corporate governance and Public Participation |
| Governance and Administration | Institutional Processes |      |                                                   |                                                                             |                                            |                                     | 2: Strengthen Accountability and Clean Government (Build and strengthen the administrative, institutional and financial capabilities of municipalities)                                  | Good Governance and Public Participation<br>Municipal Transformation and Organisational Development | Reforming the public service | Attract, develop and retain best human capital     |
| Governance and Administration | Institutional Processes |      |                                                   |                                                                             |                                            |                                     | 2: Strengthen Accountability and Clean Government (Develop a coherent and cohesive system of governance and a more equitable intergovernmental fiscal system)                            | Good Governance and Public Participation                                                            | Reforming the public service | Good Corporate governance and Public Participation |

| Cluster                       | PERSPECTIVE             | MTSF                                                                   | COGTA | MTAS                                                                                | LEGDP (PGDS)                                      | OUTCOME 9 | COGTA BUSINESS PLAN 2010/2011                                                                                                                          | STRATEGIC AGENDA KPA                                    | NATIONAL DEVELOPMENT PLAN    | BA-PHALABORWA                                      |
|-------------------------------|-------------------------|------------------------------------------------------------------------|-------|-------------------------------------------------------------------------------------|---------------------------------------------------|-----------|--------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------|------------------------------|----------------------------------------------------|
| Governance and Administration | Institutional Processes |                                                                        |       |                                                                                     |                                                   |           | 2: Strengthen Accountability and Clean Government (Restore the institutional integrity of municipalities)                                              | Municipal Transformation and Organisational Development | Reforming the public service | Attract, develop and retain best human capital     |
| Governance and Administration | Institutional Processes |                                                                        |       | 4.Improve national and provincial policy, support and oversight to local government |                                                   |           |                                                                                                                                                        |                                                         | Reforming the public service | Good Corporate governance and Public Participation |
| Governance and Administration | Institutional Processes | 6. Intensify the fight against crime and corruption                    |       |                                                                                     | 6. Fighting crime and corruption                  |           | 2: Strengthen Accountability and Clean Government ( Uproot fraud, corruption, nepotism and all forms of maladministration affecting local government ) | Good Governance and Public Participation                | Fighting corruption          | Advance good corporate governance                  |
| Governance and Administration | Institutional Processes | 8. Pursuing African advancement and enhanced international cooperation |       |                                                                                     | 8. Creation of a better Africa and a better world |           |                                                                                                                                                        |                                                         | Reforming the public service | Advance good corporate governance                  |
| Governance and Administration | Learning and Growth     | 4. Strengthening of skills and human resource                          |       |                                                                                     |                                                   |           |                                                                                                                                                        | Municipal Transformation and Organisational             | Reforming the public service | Attract, develop and retain best                   |

| Cluster | PERSPECTIVE | MTSF | COGTA | MTAS | LEGDP (PGDS) | OUTCOME 9 | COGTA BUSINESS PLAN 2010/2011 | STRATEGIC AGENDA KPA | NATIONAL DEVELOPMENT PLAN | BA-PHALABORWA |
|---------|-------------|------|-------|------|--------------|-----------|-------------------------------|----------------------|---------------------------|---------------|
| on      |             | base |       |      |              |           |                               | Development          |                           | human capital |

## 7. MEASURABLE PERFORMANCE OBJECTIVES AND INDICATORS

### 7.1. Key Financial Indicators and ratios

LIM334 Ba-Phalaborwa - Supporting Table SA8 Performance indicators and benchmarks

| Description of financial indicator                                             | Basis of calculation                                                       | 2011/12         | 2012/13         | 2013/14         | Current Year 2014/15 |                 |                    |                   | 2015/16 Medium Term Revenue & Expenditure Framework |                        |                        |
|--------------------------------------------------------------------------------|----------------------------------------------------------------------------|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|-------------------|-----------------------------------------------------|------------------------|------------------------|
|                                                                                |                                                                            | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget      | Adjusted Budget | Full Year Forecast | Pre-audit outcome | Budget Year 2015/16                                 | Budget Year +1 2016/17 | Budget Year +2 2017/18 |
| <b><u>Borrowing Management</u></b>                                             |                                                                            |                 |                 |                 |                      |                 |                    |                   |                                                     |                        |                        |
| Capital Charges to Operating Expenditure                                       | Interest & Principal Paid /Operating Expenditure                           | 0.3%            | 0.3%            | 1.9%            | 0.2%                 | -4.0%           | -4.0%              | -4.0%             | 0.4%                                                | 0.5%                   | 0.5%                   |
| Capital Charges to Own Revenue                                                 | Finance charges & Repayment of borrowing /Own Revenue                      | 0.7%            | 0.6%            | 2.8%            | 0.3%                 | -6.7%           | -6.7%              | -6.7%             | 0.6%                                                | 0.6%                   | 0.7%                   |
| Borrowed funding of 'own' capital expenditure                                  | Borrowing/Capital expenditure excl. transfers and grants and contributions | 0.0%            | 0.0%            | 0.0%            | 0.0%                 | 0.0%            | 0.0%               | 0.0%              | 0.0%                                                | 0.0%                   | 0.0%                   |
| <b><u>Safety of Capital</u></b>                                                |                                                                            |                 |                 |                 |                      |                 |                    |                   |                                                     |                        |                        |
| Gearing                                                                        | Long Term Borrowing/ Funds & Reserves                                      | 0.0%            | 0.0%            | 0.0%            | 17.1%                | 17.3%           | 17.3%              | 17.3%             | 13.5%                                               | 10.6%                  | 8.5%                   |
| <b><u>Liquidity</u></b>                                                        |                                                                            |                 |                 |                 |                      |                 |                    |                   |                                                     |                        |                        |
| Current Ratio                                                                  | Current assets/current liabilities                                         | 0.5             | 0.2             | 0.7             | 114.4                | 113.3           | 113.3              | 113.3             | 112.2                                               | 92.2                   | 93.4                   |
| Current Ratio adjusted for aged debtors                                        | Current assets less debtors > 90 days/current liabilities                  | 0.5             | 0.2             | 0.7             | 114.4                | 113.3           | 113.3              | 113.3             | 112.2                                               | 92.2                   | 93.4                   |
| Liquidity Ratio                                                                | Monetary Assets/Current Liabilities                                        | 0.0             | 0.0             | 0.0             | 2.4                  | 1.3             | 1.3                | 1.3               | 2.3                                                 | 2.3                    | 2.3                    |
| <b><u>Revenue Management</u></b>                                               |                                                                            |                 |                 |                 |                      |                 |                    |                   |                                                     |                        |                        |
| Annual Debtors Collection Rate (Payment Level %)                               | Last 12 Mths Receipts/Last 12 Mths Billing                                 |                 | 22.3%           | 31.7%           | 1.6%                 | 26.4%           | 26.4%              | 26.4%             | 26.4%                                               | 11.5%                  | 11.7%                  |
| Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue) |                                                                            | 22.3%           | 31.7%           | 25.5%           | 26.4%                | 26.4%           | 26.4%              | 26.4%             | 11.5%                                               | 11.7%                  | 11.8%                  |
| Outstanding Debtors to Revenue                                                 | Total Outstanding Debtors to Annual Revenue                                | 71.6%           | 17.7%           | 90.6%           | 44.5%                | 44.5%           | 44.5%              | 44.5%             | 36.5%                                               | 29.1%                  | 29.5%                  |
| Longstanding Debtors Recovered                                                 | Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old                  |                 |                 |                 |                      |                 |                    |                   |                                                     |                        |                        |

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|                                                      |                                                                                               |          |          |          |        |        |        |       |       |       |       |
|------------------------------------------------------|-----------------------------------------------------------------------------------------------|----------|----------|----------|--------|--------|--------|-------|-------|-------|-------|
| <b>Creditors Management</b>                          |                                                                                               |          |          |          |        |        |        |       |       |       |       |
| Creditors System Efficiency                          | % of Creditors Paid Within Terms (within 'MFMA' s 65(e))                                      |          |          |          |        |        |        |       |       |       |       |
| Creditors to Cash and Investments                    |                                                                                               | 10951.0% | 17808.1% | -2041.8% | 0.0%   | 0.0%   | 0.0%   | 0.0%  | 0.0%  | 0.0%  | 0.0%  |
| <b>Other Indicators</b>                              |                                                                                               |          |          |          |        |        |        |       |       |       |       |
|                                                      | Total Volume Losses (kW)                                                                      | 0.04     | 0.19     |          |        |        |        |       |       |       |       |
|                                                      | Total Cost of Losses (Rand '000)                                                              | 2,068    |          |          |        |        |        |       |       |       |       |
|                                                      | % Volume (units purchased and generated less units sold)/units purchased and generated        |          |          |          |        |        |        |       |       |       |       |
| Electricity Distribution Losses (2)                  | Total Cost of Losses (Rand '000)                                                              |          |          |          |        |        |        |       |       |       |       |
|                                                      | % Volume (units purchased and generated less units sold)/units purchased and generated        |          |          |          |        |        |        |       |       |       |       |
| Employee costs                                       | Employee costs/(Total Revenue - capital revenue)                                              | 43.4%    | 36.6%    | 31.6%    | 33.2%  | 33.0%  | 33.0%  | 33.0% | 27.7% | 28.0% | 28.4% |
| Remuneration                                         | Total remuneration/(Total Revenue - capital revenue)                                          | 47.6%    | 40.1%    | 35.1%    | 36.8%  | 36.4%  | 36.4%  |       | 30.6% | 31.0% | 31.4% |
| Repairs & Maintenance                                | R&M/(Total Revenue excluding capital revenue)                                                 | 0.0%     | 0.0%     | 5.8%     | 5.4%   | 5.7%   | 5.7%   |       | 4.8%  | 4.9%  | 5.0%  |
| Finance charges & Depreciation                       | FC&D/(Total Revenue - capital revenue)                                                        | 35.0%    | 27.1%    | 20.5%    | 21.3%  | 21.6%  | 21.6%  | 21.6% | 16.3% | 16.5% | 16.9% |
| <b>IDP regulation financial viability indicators</b> | -                                                                                             |          |          |          |        |        |        |       |       |       |       |
| i. Debt coverage                                     | (Total Operating Revenue - Operating Grants)/Debt service payments due within financial year) | 3.5      | 3.1      | 55.5     | (18.3) | (18.3) | (18.3) | 13.7  | 16.7  | 17.0  | 17.9  |
| ii. O/S Service Debtors to Revenue                   | Total outstanding service debtors/annual revenue received for services                        | 142.2%   | 32.4%    | 179.1%   | 89.2%  | 89.2%  | 89.2%  | 89.2% | 66.7% | 52.4% | 52.0% |
| iii. Cost coverage                                   | (Available cash + Investments)/monthly fixed operational expenditure                          | 0.2      | 0.1      | (1.0)    | 0.1    | 0.0    | 0.0    | 0.0   | 0.1   | 0.2   | 0.2   |

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## 7.2. Measurable Performance Objectives and Indicators

LIM334 Ba-Phalaborwa - Supporting Table SA7 Measureable performance objectives

| Description                  | Unit of measurement | 2011/12         | 2012/13         | 2013/14         | Current Year 2014/15 |                 |                    | 2015/16 Medium Term Revenue & Expenditure Framework |                        |                        |
|------------------------------|---------------------|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|-----------------------------------------------------|------------------------|------------------------|
|                              |                     | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget      | Adjusted Budget | Full Year Forecast | Budget Year 2015/16                                 | Budget Year +1 2016/17 | Budget Year +2 2017/18 |
| <b>Vote 1 - vote name</b>    |                     |                 |                 |                 |                      |                 |                    |                                                     |                        |                        |
| Function 1 - (name)          |                     |                 |                 |                 |                      |                 |                    |                                                     |                        |                        |
| Sub-function 1 - (name)      |                     |                 |                 |                 |                      |                 |                    |                                                     |                        |                        |
| Insert measure/s description |                     | 1.8km           | 2.8km           | 4.3km           | 3.7km                | 3.7km           | 3.7km              | 4.1km                                               | 0km                    | 0km                    |
|                              |                     |                 |                 |                 |                      |                 |                    |                                                     |                        |                        |
| Sub-function 2 - (name)      |                     |                 |                 |                 |                      |                 |                    |                                                     |                        |                        |
| Insert measure/s description |                     | 0km             | 3.0km           | 4.2km           | 2.3km                | 2.3km           | 2.3km              | 2.9km                                               | 0km                    | 0km                    |
|                              |                     |                 |                 |                 |                      |                 |                    |                                                     |                        |                        |
| Sub-function 3 - (name)      |                     |                 |                 |                 |                      |                 |                    |                                                     |                        |                        |
| Insert measure/s description |                     | 1.8km           | 2.8km           | 4.3km           | 3.7km                | 3.7km           | 3.7km              | 4.1km                                               | 0km                    | 0km                    |
|                              |                     |                 |                 |                 |                      |                 |                    |                                                     |                        |                        |
| Function 2 - (name)          |                     |                 |                 |                 |                      |                 |                    |                                                     |                        |                        |
| Sub-function 1 - (name)      |                     |                 |                 |                 |                      |                 |                    |                                                     |                        |                        |
| Insert measure/s description |                     | 0.1km           | 0.1km           | 0.1km           | 0.07km               | 0.07km          | 0.07km             | 0km                                                 | 0km                    | 0km                    |
|                              |                     |                 |                 |                 |                      |                 |                    |                                                     |                        |                        |
|                              |                     |                 |                 |                 |                      |                 |                    |                                                     |                        |                        |
| <b>Vote 2 - vote name</b>    |                     |                 |                 |                 |                      |                 |                    |                                                     |                        |                        |
| Function 1 - (name)          |                     |                 |                 |                 |                      |                 |                    |                                                     |                        |                        |
| Sub-function 1 - (name)      |                     |                 |                 |                 |                      |                 |                    |                                                     |                        |                        |
| Insert measure/s description |                     | 0.0%            | 50000.0%        | 50000.0%        | 115400.0%            | 115400.0%       | 115400.0%          | 119000.0%                                           | 50000.0%               | 50000.0%               |
|                              |                     |                 |                 |                 |                      |                 |                    |                                                     |                        |                        |
| Sub-function 2 - (name)      |                     |                 |                 |                 |                      |                 |                    |                                                     |                        |                        |
| Insert measure/s description |                     |                 |                 |                 | 2200.0%              | 2200.0%         | 2200.0%            | 3600.0%                                             | 3700.0%                | 3700.0%                |
|                              |                     | 0.0%            | 0.0%            | 0.0%            |                      |                 |                    |                                                     |                        |                        |
| Sub-function 3 - (name)      |                     |                 |                 |                 |                      |                 |                    |                                                     |                        |                        |
| Insert measure/s description |                     | 2000.0%         | 2000.0%         | 2000.0%         | 4000.0%              | 4000.0%         | 4000.0%            | 6000.0%                                             | 7000.0%                | 7000.0%                |
|                              |                     |                 |                 |                 |                      |                 |                    |                                                     |                        |                        |
| Function 2 - (name)          |                     |                 |                 |                 |                      |                 |                    |                                                     |                        |                        |

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## **8. OVERVIEW OF BUDGET-RELATED POLICIES**

The following policies has been reviewed and adopted with this budget for implementation by July 2015

### **Tariff Policy**

- The Tariff Policy was reviewed in line with relevant legislation and adopted with this budget for implementation in July 2015

### **Property Rates Policy**

- A policy in line with Local Government: Municipal Property Rates Act, Act No. 6 of 2004 was reviewed to take into consideration requirements of Gazette to ensure the implementation of the new property rates act and is adopted with this budget for implementation.

### **Budget Policy**

- A budget policy in line with relevant legislation was reviewed and is adopted with this budget for implementation in July 2015.

### **Asset Management Policy**

- A policy in line with relevant legislation is reviewed and adopted with this annual budget for implementation in July 2015.

### **Supply chain management policy**

- The supply chain management policy in line with relevant legislation was reviewed and is adopted with this budget for implementation in July 2015.

### **Indigent Household Consumer Policy**

- The Indigent and household Consumer policy in line with relevant legislation was reviewed and is adopted with this budget for implementation in July 2015. The approved indigent register will be in force as from 1<sup>st</sup> July 2015.

### **Credit Control, Debt Collection and Consumer Care Policy**

- Credit Control and Debt Collection Policy of the municipality was reviewed to take into account relevant legislation and developments in court findings and orders during the year. The policy also covers Consumer Care principles. The policy is adopted with this budget for implementation in July 2015

### **Investment Policy**

- The municipality was reviewing an Investment Policy to ensure proper cash management and investment in line with relevant legislation and the policy and is adopted with this budget for implementation. The policy will be implemented after adopting procedure manuals for implementation in July 2015.

### **Virement Policy**

- Virement policy was reviewed by the municipality in line with legislation to ensure that the process of this policy is implemented, to enable budget managers to amend budgets in the light of experience or to reflect anticipated changes.

### **Petty Cash Policy**

- The municipality reviewed the petty cash policy in line with relevant legislation and policy so that it may be able to improve the efficiency of departmental operations especially for purchases of minor items

### **Bad Debt Write Off**

- Bad debt write off policy was reviewed by the municipality in line with legislation and policy to ensure that the whole credit control and debt collection process have been followed in terms of trying to obtain payment due to council by customer, taking into account developments of legislation governing financial management in local government as well as accounting standards.

### **Deposit Policy**

- Deposit policy reviewed in order for municipality council in line with legislation to amend any clause, stipulation or tariff embodied in the policy in the interest of the parties concerned.

### **Fleet Management Policy**

- Municipality reviewed this policy in line with legislation to regulate the use of official Municipal vehicles and to ensure that they are used in a safe and efficient manner in order to minimize accidents and abuse of vehicles.

### **Electricity Supply by-laws**

- Electricity supply by-laws was reviewed by the municipality in line with legislation so that only the service provider shall supply or contract for the supply of electricity within the jurisdiction of the Service Authority.

### **Land Use by-laws**

- Municipality reviewed the policy in line with legislation so that there is no intrusion over municipal property, or property which the Council has control over or other property in respect of which a servitude or other property right has been registered in favour of the Council.

### **Subsistence and Traveling Policy**

- This policy was reviewed in line with legislation by municipality to sets out the basis for the payment of a subsistence and travel allowance for the purposes of such official who travel from time to time to establish and maintain links and relationships with other municipalities, government bodies, and other parties, institutions and organizations operating in the sphere of local government so that they can broaden their knowledge and understanding.

## 9. OVERVIEW OF BUDGET ASSUMPTIONS

### OVERVIEW OF THE BUDGET ASSUMPTIONS

#### External factors

The following factors were taken consideration and assumption when compiling 2015/16 budget to ensure that the budget is meaningful and easy to understand during the calculation of estimated revenues and expenditures:

- Division of Revenue Bill, 2015
- Stronger public- and private- sector investment.
- Domestic outlook
- Population growth
- Risks to the global outlook
- The unwinding global imbalances
- National target in new growth path to create jobs over the next decade
- Sound macroeconomic policy enables the Country to fund social and economic priorities
- Anticipated salary increases
- Demand for services provision on free basic services
- Rates – Tariffs, charges and timing of revenue collection
- Sustainability – Consumer affordability to services municipal services
- Interest rates

## **Internal factors**

### **KEY FINANCIAL TARGETS**

The following assumptions were considered on compilation of 2015/16 budget on revenues: The multi – year budget is underpinned by the following key financial target assumptions:

- Increasing/ maximizing revenue collection on outstanding debtors
- Full implementation of credit control policy and intensifying debt collection
- Revision of cemetery tariffs and other minor sources of income such as building plans
- Improvement on billing system by means of ensuring correctness of meter readings
- Customer education
- Improvement on public participation
- Tariff increase ,
- Macro Growth factor indicator
- Capital Charges
- Total expenditure increases allowed (excluding repairs and maintenance)
- Increase in repairs and maintenance.

**There are several sources of information gathered during the compilation of 2015/16 budget:**

- Ba-Phalaborwa Five year financial plan
- Treasury circulars 75, 74, 72, 70, 67,66, 59, 58, 55, 54, 51 and 48
- Statistics SA guidelines on economic indicators
- Financial management system and departmental budget inputs submitted
- Consumer/ Customers surveys on services
- Data collected on consumer over the counter
- Integrated Development plan\_ 2015-2020
- Five year financial plan 2015-2020



## 10. OVERVIEW OF BUDGET FUNDING

### 10.1. REVENUE AND FINANCING ACTIVITIES

Financial Performance (Revenue By Source and Expenditure By Type)

| Description                            | 2011/12         | 2012/13         | 2013/14         | Current Year 2014/15 |            |                 | Projections         |                        |                        |
|----------------------------------------|-----------------|-----------------|-----------------|----------------------|------------|-----------------|---------------------|------------------------|------------------------|
|                                        | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget      | Adjustment | Adjusted Budget | Budget Year 2015/16 | Budget Year +1 2016/17 | Budget Year +2 2017/18 |
| <b>Revenue By Source</b>               |                 |                 |                 |                      |            |                 |                     |                        |                        |
| Property rates                         | 34,049          | 60,257          | 57,239          | 70,634               | -          | 70,634          | 124,589             | 130,569                | 138,273                |
| Service charges – electricity revenue  | 64,500          | 70,292          | 83,082          | 95,327               | -          | 95,327          | 105,666             | 110,738                | 117,271                |
| Service charges – refuse revenue       | 8,980           | 9,123           | 10,422          | 11,337               | -          | 11,337          | 11,971              | 12,546                 | 13,286                 |
| Rental of facilities and equipment     | 200             | 295             | 228             | 330                  | -          | 330             | 346                 | 362                    | 384                    |
| Interest earned – external investments | 177             | 332             | 359             | 260                  | -          | 260             | 275                 | 288                    | 305                    |
| Interest earned – outstanding debtors  | 41,117          | 42,369          | 55,541          | 74,643               | -          | 74,643          | 70,973              | 71,316                 | 71,732                 |
| Dividends received                     | -               | -               | -               | 2                    | -          | 2               | 3                   | 3                      | 3                      |
| Fines                                  | 426             | 871             | 2,826           | 2,600                | -          | 2,600           | 2,917               | 3,057                  | 3,238                  |
| Licences and permits                   | 1,482           | 2,375           | 3,121           | 9,021                | -          | 9,021           | 9,399               | 9,850                  | 10,432                 |
| Agency services                        | 560             | 1,531           | 9,665           | 2,255                | -          | 2,255           | 2,381               | 2,496                  | 2,643                  |
| Transfers recognised – operational     | 60,864          | 65,471          | 73,626          | 88,490               | -          | 88,490          | 113,160             | 115,290                | 115,663                |
| Transfers recognised – capital         | 46,837          | 29,238          | 28,439          | 37,279               | -          | 37,279          | 36,492              | 37,560                 | 42,159                 |
| Other revenue                          | 1,528           | 3,068           | 2,291           | 1,352                | -          | 1,352           | 1,385               | 1,452                  | 1,537                  |
| <b>Total Revenue</b>                   | <b>260,720</b>  | <b>285,221</b>  | <b>326,839</b>  | <b>393,530</b>       | <b>-</b>   | <b>393,530</b>  | <b>479,557</b>      | <b>495,527</b>         | <b>516,925</b>         |

- The table above illustrate the summaries of revenue and financing activities. The estimated revenue is at R479,557 million
- Equitable share allocation as per Division of Revenue 2015
- Highlights of operational grants as per Division of Revenue
- Highlights of conditional capital grants as per Division of Revenue

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## 10.2.1 Grants and subsidies as per Division of Revenue 2015

**LIM334 Ba-Phalaborwa - Supporting Table SA18 Transfers and grant receipts**

| Description                                     | Ref  | 2011/12         | 2012/13         | 2013/14         | Current Year 2014/15 |                 |                    | 2015/16 Medium Term Revenue & Expenditure Framework |                        |                        |
|-------------------------------------------------|------|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|-----------------------------------------------------|------------------------|------------------------|
|                                                 |      | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget      | Adjusted Budget | Full Year Forecast | Budget Year 2015/16                                 | Budget Year +1 2016/17 | Budget Year +2 2017/18 |
| <b>RECEIPTS:</b>                                | 1, 2 |                 |                 |                 |                      |                 |                    |                                                     |                        |                        |
| <b><u>Operating Transfers and Grants</u></b>    |      |                 |                 |                 |                      |                 |                    |                                                     |                        |                        |
| <b>National Government:</b>                     |      | <b>56 327</b>   | <b>64 761</b>   | <b>74 154</b>   | <b>88 490</b>        | <b>88 490</b>   | <b>88 490</b>      | <b>113 160</b>                                      | <b>115 290</b>         | <b>115 663</b>         |
| Local Government Equitable Share                |      | 53 751          | 61 461          | 69 433          | 83 256               | 83 256          | 83 256             | 107 805                                             | 110 912                | 110 792                |
| Finance Management                              |      | 1 250           | 1 500           | 1 550           | 1 600                | 1 600           | 1 600              | 1 675                                               | 1 810                  | 2 145                  |
| Municipal Systems Improvement                   |      | 790             | 800             | 890             | 934                  | 934             | 934                | 940                                                 | 960                    | 1 033                  |
| EPWP Incentive                                  |      | 536             | 1 000           | 1 000           | 1 212                | 1 212           | 1 212              | 1 188                                               | –                      | –                      |
| Operating Grant: MIG (5% of MIG Grants for PMU) |      |                 |                 | 1 281           | 1 488                | 1 488           | 1 488              | 1 552                                               | 1 608                  | 1 693                  |
| <b>Provincial Government:</b>                   |      | <b>2 667</b>    | <b>–</b>        | <b>–</b>        | <b>–</b>             | <b>–</b>        | <b>–</b>           | <b>–</b>                                            | <b>–</b>               | <b>–</b>               |
| Excess Employees                                |      | 2 667           | –               | –               | –                    | –               | –                  | –                                                   | –                      | –                      |
| <b>Other grant providers:</b>                   |      | <b>730</b>      | <b>500</b>      | <b>–</b>        | <b>–</b>             | <b>–</b>        | <b>–</b>           | <b>–</b>                                            | <b>–</b>               | <b>–</b>               |
| DBSA                                            |      | 730             | 500             | –               | –                    | –               | –                  | –                                                   | –                      | –                      |
| <b>Total Operating Transfers and Grants</b>     | 5    | <b>59 724</b>   | <b>65 261</b>   | <b>74 154</b>   | <b>88 490</b>        | <b>88 490</b>   | <b>88 490</b>      | <b>113 160</b>                                      | <b>115 290</b>         | <b>115 663</b>         |
| <b><u>Capital Transfers and Grants</u></b>      |      |                 |                 |                 |                      |                 |                    |                                                     |                        |                        |
| <b>National Government:</b>                     |      | <b>22 129</b>   | <b>33 778</b>   | <b>38 151</b>   | <b>37 279</b>        | <b>37 279</b>   | <b>37 279</b>      | <b>36 492</b>                                       | <b>37 560</b>          | <b>42 159</b>          |
| Municipal Infrastructure Grant (MIG)            |      | 17 129          | 20 778          | 38 151          | 28 279               | 28 279          | 28 279             | 29 492                                              | 30 560                 | 32 159                 |
| Intergrated National Electrification Grant      |      | 4 000           | 4 000           | –               | 9 000                | 9 000           | 9 000              | 7 000                                               | 7 000                  | 10 000                 |
| Neighbourhood Development Partnership           |      | 1 000           | 9 000           | –               | –                    | –               | –                  | –                                                   | –                      | –                      |
| <b>Other grant providers:</b>                   |      | <b>–</b>        | <b>400</b>      | <b>–</b>        | <b>–</b>             | <b>–</b>        | <b>–</b>           | <b>–</b>                                            | <b>–</b>               | <b>–</b>               |
| DBSA                                            |      | –               | 400             | –               | –                    | –               | –                  | –                                                   | –                      | –                      |
| <b>Total Capital Transfers and Grants</b>       | 5    | <b>22 129</b>   | <b>34 178</b>   | <b>38 151</b>   | <b>37 279</b>        | <b>37 279</b>   | <b>37 279</b>      | <b>36 492</b>                                       | <b>37 560</b>          | <b>42 159</b>          |
| <b>TOTAL RECEIPTS OF TRANSFERS &amp; GRANTS</b> |      | <b>81 853</b>   | <b>99 439</b>   | <b>112 305</b>  | <b>125 769</b>       | <b>125 769</b>  | <b>125 769</b>     | <b>149 652</b>                                      | <b>152 850</b>         | <b>157 822</b>         |

- Equitable share has increase from 2014 Division of Revenue – R83,256 million to R107,805 million in 2015
- Financial Management grant also increased from Division of Revenue 2015 from R1,600 million to R1,675 million
- Municipal system Improvement grant increase to R940 thousands as per Division of Revenue 2015.
- Municipal Infrastructure grant as per Division of Revenue is R31,044 million in 2015.
- ENEG R7,000 million as per Division of Revenue 2015.
- EPWP R1,188 million as per Division of Revenue 2015.

### Allocation of Expenditure per standard item

| Description<br><br>R thousand                          | Ref  | 2011/12         | 2012/13         | 2013/14         | Current Year 2014/15 |                 |                    |                   | 2015/16 Medium Term Revenue & Expenditure Framework |                        |                        |
|--------------------------------------------------------|------|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|-------------------|-----------------------------------------------------|------------------------|------------------------|
|                                                        |      | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget      | Adjusted Budget | Full Year Forecast | Pre-audit outcome | Budget Year 2015/16                                 | Budget Year +1 2016/17 | Budget Year +2 2017/18 |
| <u>Revenue By Source</u><br><u>Expenditure By Type</u> |      |                 |                 |                 |                      |                 |                    |                   |                                                     |                        |                        |
| Employee related costs                                 | 2    | 92 800          | 93 712          | 94 192          | 118 379              | 117 516         | 117 516            | 117 516           | 122 693                                             | 128 398                | 134 689                |
| Remuneration of councillors                            |      | 9 054           | 9 052           | 10 492          | 12 855               | 12 085          | 12 085             | 12 085            | 12 811                                              | 13 579                 | 14 394                 |
| Debt impairment                                        | 3    | –               | 108 991         | 2 691           | 31 558               | 31 558          | 31 558             | 31 558            | 33 326                                              | 34 925                 | 36 986                 |
| Depreciation & asset impairment                        | 2    | 74 449          | 69 182          | 61 010          | 74 909               | 74 909          | 74 909             | 74 909            | 70 104                                              | 73 469                 | 77 804                 |
| Finance charges                                        |      | 434             | 226             | 128             | 848                  | 2 048           | 2 048              | 2 048             | 2 109                                               | 2 211                  | 2 341                  |
| Bulk purchases                                         | 2    | 56 508          | 53 402          | 67 501          | 82 573               | 82 573          | 82 573             | 82 573            | 94 332                                              | 95 000                 | 96 000                 |
| Contracted services                                    |      | 17 648          | 10 096          | 26 056          | 45 536               | 49 485          | 49 485             | 49 485            | 52 256                                              | 54 765                 | 57 996                 |
| Other expenditure                                      | 4, 5 | 66 174          | 53 460          | 70 427          | 72 160               | 77 003          | 77 003             | 77 003            | 82 362                                              | 86 267                 | 91 298                 |
| Loss on disposal of PPE                                |      |                 | (86)            | (30)            |                      |                 |                    |                   |                                                     |                        |                        |
| <b>Total Expenditure</b>                               |      | <b>317,067</b>  | <b>398,036</b>  | <b>332,466</b>  | <b>438,819</b>       | <b>447,178</b>  | <b>447,178</b>     | <b>447,178</b>    | <b>469,992</b>                                      | <b>488,614</b>         | <b>511,507</b>         |

- The estimated operational expenditure as per standard item is R469,992 million for the financial year 2015/16
- Included on the expenditure per standard item is the depreciation and impairment of assets at an estimated value of R103, 430 million
- Employee related costs for entire staff members exclusive of councillors is estimated at R122,693 million in 2015/16 financial year
- Repairs and maintenance at an estimated value of R21,333 million will be utilised to maintain municipal assets. It is 39.7% of the total estimated capital budget of R53,792 million. National Treasury guides indicate that at least the repairs and maintenance allocation should be 40% of the total capital expenditure budget.

## **Summary of operating expenditure by standard classification item**

### **Employee Related Costs**

- The budgeted allocation for employee related costs for the 2015/16 financial year totals R122,693 million which equals 26 per cent of the total operating expenditure. Salary increases have been factored into this budget at a percentage increase of 4.4 per cent for the 2015/16 financial year as per latest circular 75.

The agreement also provides for an additional increase of 0.25 per cent increase for the 2016/17 financial year. In this regard, we have provided for a 4.65 per cent (4.4 per cent plus 0,25 per cent) increase for the 2016/17 budget year. An annual increase of 4.90 per cent has been included in the 2017/18 financial year.

### **Remuneration of councilors**

- The cost associated with the remuneration of councilors is determined by the Minister of Co-operative Governance and Traditional Affairs in accordance with the Remuneration of Public Office Bearers Act, 1998 (Act 20 of 1998). For the 2015/16 financial year the remuneration of councilors will amount to R12, 811 million. It is equal to 3 per cent of the operating expenditure.

### **Debt impairment**

- The provision of debt impairment was determined based on an currentl collection rate of 45 per cent and the Debt Write-off Policy of the municipality. For the 2015/16 financial year this amount equates to R33,326 million which equates to 7 percent of the total operating expenditure and escalates to R34,925 million by 2016/17. While this expenditure is considered to be a non-cash flow item, it is informed by the total cost associated with rendering the services of the municipality, as well as the municipality's realistically anticipated revenues and equals to 7 per cent of the operating expenditure.

### **Depreciation and asset impairment**

- Provision for depreciation and asset impairment has been informed by the Municipality's Asset Management Policy. Budget appropriations in this regard total R70,104 million for the 2015/16 financial and equates to 15 per cent of the total operating expenditure. Note that the implementation of GRAP 17 accounting standard has taken into account.

### **Bulk Purchases**

- Bulk purchases are directly informed by the purchase of electricity from Eskom. The annual price increases have been factored into the budget appropriations and directly inform the revenue provisions. The expenditures include distribution losses and is equal to 20 per cent of the operating expenditure.

### **Contracted Services**

- In the 2015/16 financial year, this group of expenditure totals R52,256 million which equates to 11 percent of the total operating expenditure. For the two outer years, the projection is at R54,765 million and R57,996 million.

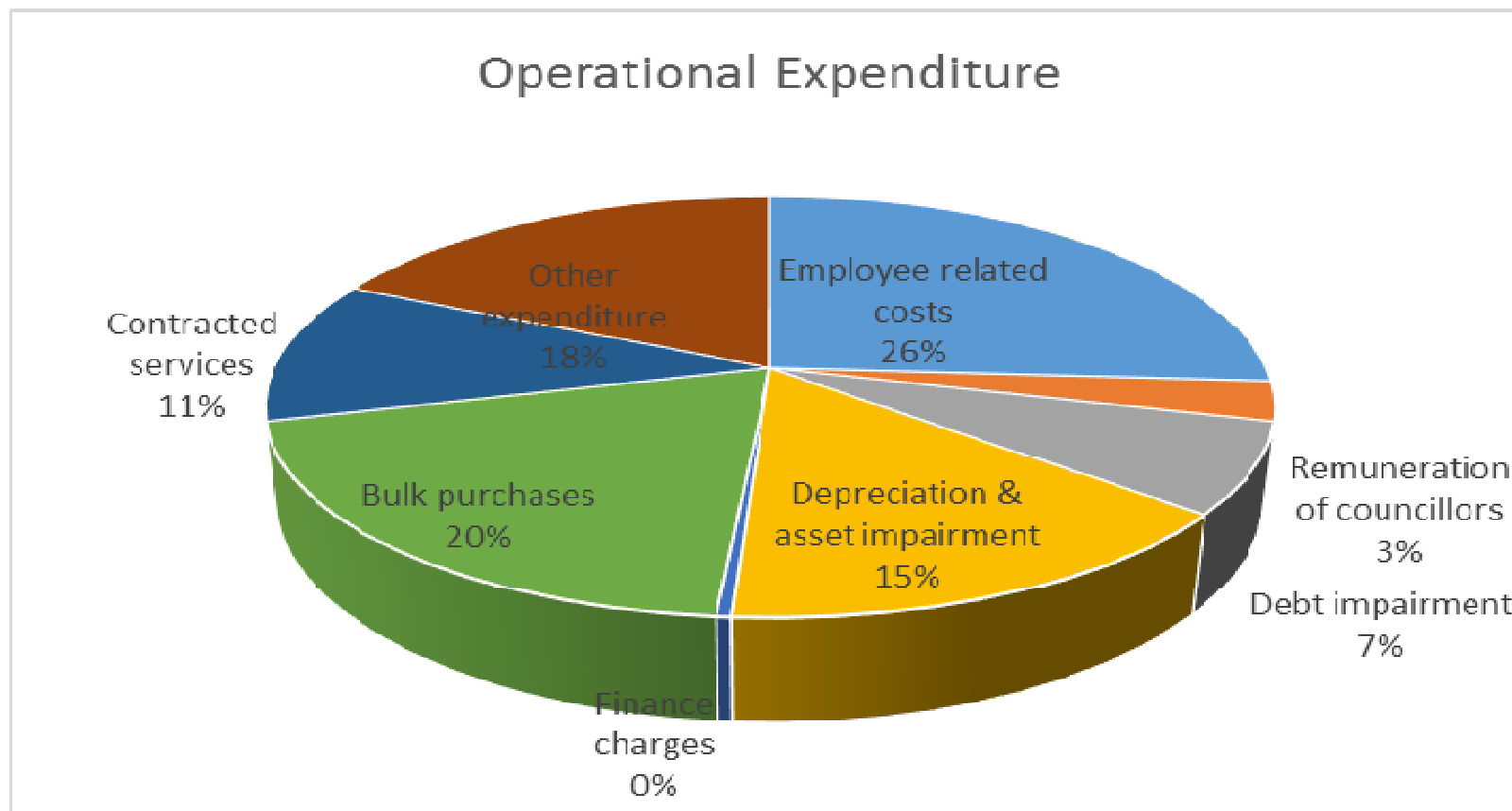
### **Other Expenditure**

- Other expenditure comprises of various line items relating to the daily operations of the municipality, For 2015/16 financial year is estimated at R82,362 million which equates to 18 percent of total operational budget. The amount include R21 million of repairs and maintenance.

### **Finance Charges**

- The finance charges for 2015/16 financial year is estimated to be R2,1 million which constitute 0 per cent of the total operating expenditure.

The following graph gives a breakdown of the main expenditure categories for the 2015/16 financial year.



### 10.2.2 ALLOCATION OF MAIN VOTE

| Vote Description<br>R thousand                       | Ref | 2011/12         | 2012/13          | 2013/14         | Current Year 2014/15 |                 |                    | 2015/16 Medium Term Revenue & Expenditure Framework |                        |                        |
|------------------------------------------------------|-----|-----------------|------------------|-----------------|----------------------|-----------------|--------------------|-----------------------------------------------------|------------------------|------------------------|
|                                                      |     | Audited Outcome | Audited Outcome  | Audited Outcome | Original Budget      | Adjusted Budget | Full Year Forecast | Budget Year 2015/16                                 | Budget Year +1 2016/17 | Budget Year +2 2017/18 |
| <b><u>Expenditure by Vote to be appropriated</u></b> | 1   |                 |                  |                 |                      |                 |                    |                                                     |                        |                        |
| Vote 1 - Executive and Council                       |     | 19,932          | 25,772           | 21,384          | 36,507               | 35,725          | 35,725             | 44,222                                              | 46,479                 | 49,102                 |
| Vote 2 - Budget and Treasury Department              |     | 112,591         | 144,420          | 65,928          | 87,451               | 89,488          | 89,488             | 91,301                                              | 95,650                 | 101,061                |
| Vote 3 - Corporate Services                          |     | 25,745          | 24,160           | 30,860          | 42,227               | 44,257          | 44,257             | 47,540                                              | 49,749                 | 52,447                 |
| Vote 4 - Community and Social Services               |     | 41,284          | 37,378           | 34,400          | 63,683               | 65,648          | 65,648             | 65,228                                              | 68,301                 | 71,925                 |
| Vote 5 - Planning and Development                    |     | 7,073           | 7,038            | 80,758          | 17,094               | 16,934          | 16,934             | 17,791                                              | 18,634                 | 19,650                 |
| Vote 6 - Technical Services Department               |     | 110,443         | 159,269          | 99,136          | 191,856              | 195,125         | 195,125            | 203,909                                             | 209,801                | 217,332                |
| <b>Total Expenditure by Vote</b>                     | 2   | <b>317,067</b>  | <b>398,036</b>   | <b>332,466</b>  | <b>438,819</b>       | <b>447,178</b>  | <b>447,178</b>     | <b>469,992</b>                                      | <b>488,614</b>         | <b>511,507</b>         |
| <b>Surplus/(Deficit) for the year</b>                | 2   | <b>(82,811)</b> | <b>(109,157)</b> | <b>(2,529)</b>  | <b>(45,289)</b>      | <b>(53,648)</b> | <b>(53,648)</b>    | <b>9,565</b>                                        | <b>6,914</b>           | <b>5,418</b>           |

- Allocation of expenditure per main vote highlights the share per department's budget
- The directorate receiving a bigger share in terms of the main votes are Technical Services
- The least directorate receiving smaller share of budget is Planning and development



## 10.5 FUNDING MEASUREMENT

LIM334 Ba-Phalaborwa Supporting Table SA10 Funding measurement

| Description                                                   | MFMA section | Ref | 2011/12         | 2012/13         | 2013/14         | Current Year 2014/15 |                 |                    |                   | 2015/16 Medium Term Revenue & Expenditure Framework |                        |                        |
|---------------------------------------------------------------|--------------|-----|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|-------------------|-----------------------------------------------------|------------------------|------------------------|
|                                                               |              |     | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget      | Adjusted Budget | Full Year Forecast | Pre-audit outcome | Budget Year 2015/16                                 | Budget Year +1 2016/17 | Budget Year +2 2017/18 |
| <b>Funding measures</b>                                       | -            | -   |                 |                 |                 |                      |                 |                    |                   |                                                     |                        |                        |
| Cash/cash equivalents at the year end - R'000                 | 18(1)b       | 1   | 2,642           | 2,066           | (17,807)        | 2,227                | 813             | 813                | 813               | 1,612                                               | 6,089                  | 7,617                  |
| Cash + investments at the yr end less applications - R'000    | 18(1)b       | 2   | (278,839)       | (354,070)       | (319,597)       | 45,437               | 43,827          | 43,827             | 43,827            | 22,344                                              | 19,492                 | 20,401                 |
| Cash year end/monthly employee/supplier payments              | 18(1)b       | 3   | 0.2             | 0.1             | (1.0)           | 0.1                  | 0.0             | 0.0                | 0.0               | 0.1                                                 | 0.2                    | 0.2                    |
| Surplus/(Deficit) excluding depreciation offsets: R'000       | 18(1)        | 4   | (8,453)         | (39,975)        | (2,529)         | 29,620               | (53,648)        | (53,648)           | (53,648)          | 9,565                                               | 6,914                  | 5,418                  |
| Service charge rev % change - macro CPIX target exclusive     | 18(1)a,(2)   | 5   | N.A.            | 23.9%           | 1.9%            | 11.6%                | (6.0%)          | (6.0%)             | (6.0%)            | 30.6%                                               | (1.2%)                 | (0.1%)                 |
| Cash receipts % of Ratepayer & Other revenue                  | 18(1)a,(2)   | 6   | 22.3%           | 31.7%           | 25.5%           | 26.4%                | 26.4%           | 26.4%              | 26.4%             | 11.5%                                               | 11.7%                  | 11.8%                  |
| Debt impairment expense as a % of total billable revenue      | 18(1)a,(2)   | 7   | 0.0%            | 77.9%           | 1.8%            | 17.8%                | 17.8%           | 17.8%              | 17.8%             | 13.7%                                               | 13.7%                  | 13.7%                  |
| Capital payments % of capital expenditure                     | 18(1)c;19    | 8   | 85.4%           | 100.0%          | 98.3%           | 83.7%                | 86.9%           | 86.9%              | 86.9%             | 100.0%                                              | 100.0%                 | 100.0%                 |
| Borrowing receipts % of capital expenditure (excl. transfers) | 18(1)c       | 9   | 0.0%            | 0.0%            | 0.0%            | 0.0%                 | 0.0%            | 0.0%               | 0.0%              | 0.0%                                                | 0.0%                   | 0.0%                   |
| Grants % of Govt. legislated/gazetted allocations             | 18(1)a       | 10  |                 |                 |                 |                      |                 |                    |                   | 99.1%                                               | 95.4%                  | 93.5%                  |
| Current consumer debtors % change - incr(decr)                | 18(1)a       | 11  | N.A.            | (70.4%)         | 495.7%          | (41.4%)              | 0.0%            | 0.0%               | 0.0%              | 2.1%                                                | (17.6%)                | 5.0%                   |
| Long term receivables % change - incr(decr)                   | 18(1)a       | 12  | N.A.            | 0.0%            | 0.0%            | 0.0%                 | 0.0%            | 0.0%               | 0.0%              | 0.0%                                                | 0.0%                   | 0.0%                   |
| R&M % of Property Plant & Equipment                           | 20(1)(vi)    | 13  | 0.0%            | 0.0%            | 1.7%            | 1.5%                 | 1.6%            | 1.6%               | 1.7%              | 1.6%                                                | 1.6%                   | 1.6%                   |
| Asset renewal % of capital budget                             | 20(1)(vi)    | 14  | 0.0%            | 0.0%            | 0.0%            | 0.0%                 | 0.0%            | 0.0%               | 0.0%              | 0.0%                                                | 0.0%                   | 0.0%                   |

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## 11 . EXPENDITURE ON ALLOCATIONS

### Summary of Expenditure per Sub-Vote

LIM334 Ba-Phalaborwa Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)A

| Vote Description<br>R thousand                | Ref | 2011/12         | 2012/13         | 2013/14         | Current Year 2014/15 |                 |                    | 2015/16 Medium Term Revenue & Expenditure Framework |                        |                        |
|-----------------------------------------------|-----|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|-----------------------------------------------------|------------------------|------------------------|
|                                               |     | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget      | Adjusted Budget | Full Year Forecast | Budget Year 2015/16                                 | Budget Year +1 2016/17 | Budget Year +2 2017/18 |
| <b>Expenditure by Vote</b>                    | 1   |                 |                 |                 |                      |                 |                    |                                                     |                        |                        |
| <b>Executive and Council</b>                  |     | <b>19,932</b>   | <b>25,772</b>   | <b>21,384</b>   | <b>36,507</b>        | <b>41,970</b>   | <b>41,970</b>      | <b>44,222</b>                                       | <b>46,479</b>          | <b>49,102</b>          |
| Municipal Council                             |     | 10,554          | 9,557           |                 | 13,488               | 12,468          | 12,468             | 13,214                                              | 14,002                 | 14,842                 |
| Office of the Mayor                           |     | 2,810           | 3,714           |                 | 7,710                | 5,564           | 5,564              | 5,853                                               | 6,131                  | 6,473                  |
| Office of the Municipal Manager               |     | 3,099           | 4,758           | 21,384          | 6,665                | 5,693           | 5,693              | 5,952                                               | 6,230                  | 6,544                  |
| Strategic Planning and Performance Management |     | 736             | 1,792           |                 | 3,499                | 2,007           | 2,007              | 2,106                                               | 2,205                  | 2,323                  |
| Internal Audit and Risk Management            |     | 1,143           | 4,617           |                 | 2,650                | 13,871          | 13,871             | 14,615                                              | 15,313                 | 16,186                 |
| Disaster Management                           |     | 1,591           | 1,334           |                 | 2,495                | 2,368           | 2,368              | 2,481                                               | 2,598                  | 2,734                  |
| <b>Budget and Treasury Department</b>         |     | <b>112,591</b>  | <b>144,420</b>  | <b>65,928</b>   | <b>87,451</b>        | <b>86,700</b>   | <b>86,700</b>      | <b>91,301</b>                                       | <b>95,650</b>          | <b>101,061</b>         |
| Office of the CFO                             |     | 21,923          | 4,799           | 65,928          | 3,965                | 4,713           | 4,713              | 4,926                                               | 5,156                  | 5,413                  |
| Financial Planning and Reporting              |     | 8,565           | 813             |                 | 3,404                | 2,348           | 2,348              | 2,453                                               | 2,567                  | 2,695                  |
| Financial Control and Expenditure Management  |     | 56,745          | 18,229          |                 | 24,260               | 22,983          | 22,983             | 24,221                                              | 25,377                 | 26,829                 |
| Revenue and Debt Management                   |     | 22,330          | 117,965         |                 | 51,880               | 51,314          | 51,314             | 54,103                                              | 56,689                 | 59,956                 |
| Supply Chain Management and Stores            |     | 3,029           | 2,615           |                 | 3,943                | 5,343           | 5,343              | 5,598                                               | 5,862                  | 6,168                  |
|                                               |     |                 |                 |                 |                      |                 |                    |                                                     | -                      | -                      |
| <b>Corporate Services</b>                     |     | <b>25,745</b>   | <b>24,160</b>   | <b>30,860</b>   | <b>42,227</b>        | <b>44,257</b>   | <b>44,257</b>      | <b>47,540</b>                                       | <b>49,749</b>          | <b>52,447</b>          |
| Office of the Director                        |     | 2,988           | 1,012           | 30,860          | 1,961                | 2,511           | 2,511              | 2,627                                               | 2,750                  | 2,889                  |
| Human Resources                               |     | 7,028           | 7,468           |                 | 13,480               | 14,392          | 14,392             | 16,153                                              | 16,874                 | 17,769                 |
| Information Technology                        |     | 693             | 1,148           |                 | 1,480                | 2,412           | 2,412              | 2,529                                               | 2,648                  | 2,788                  |
| Administration                                |     | 15,036          | 14,532          |                 | 22,278               | 18,454          | 18,454             | 19,390                                              | 20,308                 | 21,417                 |
| Legal                                         |     |                 |                 |                 | 3,029                | 6,488           | 6,488              | 6,843                                               | 7,170                  | 7,585                  |
| <b>Community and Social Services</b>          |     | <b>41,284</b>   | <b>37,378</b>   | <b>34,400</b>   | <b>63,683</b>        | <b>62,191</b>   | <b>62,191</b>      | <b>65,228</b>                                       | <b>68,301</b>          | <b>71,925</b>          |
| Office of the Director                        |     | 1,310           | 1,756           | 34,400          | 2,243                | 3,404           | 3,404              | 3,558                                               | 3,723                  | 3,909                  |

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|                                       |          |                 |                  |                |                 |                 |                 |                |                |                |
|---------------------------------------|----------|-----------------|------------------|----------------|-----------------|-----------------|-----------------|----------------|----------------|----------------|
| Libraries                             |          | 2,612           | 1,996            |                | 3,209           | 2,920           | 2,920           | 3,055          | 3,198          | 3,362          |
| Parks                                 |          | 7,517           | 8,214            |                | 13,454          | 12,065          | 12,065          | 12,644         | 13,238         | 13,932         |
| Cemeteries                            |          | 582             | 265              |                | 1,690           | 1,459           | 1,459           | 1,535          | 1,608          | 1,697          |
| Traffic                               |          | 7,865           | 8,523            |                | 12,066          | 10,796          | 10,796          | 11,303         | 11,832         | 12,442         |
| Licensing                             |          | 9,480           | 3,927            |                | 13,901          | 12,780          | 12,780          | 13,456         | 14,096         | 14,892         |
| Environment Health                    |          | 9,341           | 9,085            |                | 11,719          | 12,027          | 12,027          | 12,571         | 13,158         | 13,816         |
| Waste Management                      |          | 2,577           | 3,611            |                | 5,401           | 6,740           | 6,740           | 7,107          | 7,447          | 7,876          |
| <b>Planning and Development</b>       |          | <b>7,073</b>    | <b>7,038</b>     | <b>80,758</b>  | <b>17,094</b>   | <b>16,934</b>   | <b>16,934</b>   | <b>17,791</b>  | <b>18,634</b>  | <b>19,650</b>  |
| Office of the Director                |          | 1,090           | 1,037            | 80,758         | 1,765           | 1,491           | 1,491           | 1,560          | 1,633          | 1,717          |
| Economic Development                  |          | 3,415           | 3,875            |                | 12,125          | 12,336          | 12,336          | 12,983         | 13,601         | 14,364         |
| Town Planning                         |          | 2,568           | 2,126            |                | 3,204           | 3,108           | 3,108           | 3,248          | 3,399          | 3,569          |
| <b>Technical Services Department</b>  |          | <b>110,443</b>  | <b>159,269</b>   | <b>99,136</b>  | <b>191,856</b>  | <b>195,125</b>  | <b>195,125</b>  | <b>203,909</b> | <b>209,801</b> | <b>217,322</b> |
| Office of the Director                |          | 2,078           | 6,158            | 99,136         | 4,772           | 2,558           | 2,558           | 2,687          | 2,814          | 2,967          |
| Electrical Services                   |          | 70,866          | 75,856           |                | 107,174         | 111,063         | 111,063         | 124,296        | 126,387        | 129,129        |
| Building Section                      |          | 14,436          | 22,826           |                | 18,216          | 19,807          | 19,807          | 20,853         | 21,846         | 23,077         |
| Water Services                        |          |                 | 207              |                |                 | –               | –               |                |                |                |
| Waste Water Management                |          |                 | 0                |                |                 | –               | –               |                |                |                |
| Roads and Storm Water Services        |          | 21,319          | 52,540           |                | 58,681          | 58,379          | 58,379          | 52,599         | 55,118         | 58,325         |
| Project Management Unit               |          | 383             | 649              |                | 1,021           | 1,097           | 1,097           | 1,147          | 1,200          | 1,260          |
| Mechanical Workshop                   |          | 1,361           | 1,032            | –              | 1,992           | 2,223           | 2,223           | 2,327          | 2,437          | 2,563          |
| <b>Total Expenditure by Vote</b>      | <b>2</b> | <b>317,067</b>  | <b>398,036</b>   | <b>332,466</b> | <b>438,819</b>  | <b>447,178</b>  | <b>447,178</b>  | <b>469,992</b> | <b>488,614</b> | <b>511,507</b> |
| <b>Surplus/(Deficit) for the year</b> | <b>2</b> | <b>(82,811)</b> | <b>(109,157)</b> | <b>(2,529)</b> | <b>(45,289)</b> | <b>(53,648)</b> | <b>(53,648)</b> | <b>9,565</b>   | <b>6,914</b>   | <b>5,418</b>   |

## 12 ALLOCATIONS AND GRANTS MADE BY THE MUNICIPALITY

In the 2015/16 MTREF no allocations will be made by the Municipality to:

- ✚ Other municipalities;
- ✚ Municipal Entities and other external service delivery mechanisms;
- ✚ Any other organs of state; and
- ✚ Any other organisation outside government

### 13 COUNCILLORS AND BOARD MEMBER ALLOWANCE AND EMPLOYEE BENEFITS

#### 13.2 Summary of Councillors and Staff Benefits

LIM334 Ba-Phalaborwa - Supporting Table SA22 Summary councillor and staff benefits

| Summary of Employee and Councillor remuneration<br>R thousand   | Ref | 2011/12         | 2012/13         | 2013/14         | Current Year 2014/15 |                 |                    | 2015/16 Medium Term Revenue & Expenditure Framework |                        |                        |
|-----------------------------------------------------------------|-----|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|-----------------------------------------------------|------------------------|------------------------|
|                                                                 |     | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget      | Adjusted Budget | Full Year Forecast | Budget Year 2015/16                                 | Budget Year +1 2016/17 | Budget Year +2 2017/18 |
| -                                                               | 1   | A               | B               | C               | D                    | E               | F                  | G                                                   | H                      | I                      |
| <b><u>Councillors (Political Office Bearers plus Other)</u></b> |     |                 |                 |                 |                      |                 |                    |                                                     |                        |                        |
| Basic Salaries and Wages                                        |     | 6,177           | 6,222           | 10,492          | 9,572                | 8,372           | 8,372              | 8,874                                               | 9,407                  | 9,971                  |
| Pension and UIF Contributions                                   |     | 21              |                 |                 |                      | -               | -                  |                                                     |                        |                        |
| Motor Vehicle Allowance                                         |     | 2,061           | 1,993           |                 | 2,783                | 2,933           | 2,933              | 3,109                                               | 3,295                  | 3,493                  |
| Cellphone Allowance                                             |     | 448             | 432             |                 | 501                  | 781             | 781                | 828                                                 | 877                    | 930                    |
| Housing Allowances                                              |     |                 |                 |                 |                      | -               | -                  |                                                     |                        |                        |
| Other benefits and allowances                                   |     | 347             | 406             |                 |                      | -               | -                  |                                                     |                        |                        |
| <b>Sub Total - Councillors</b>                                  |     | <b>9,054</b>    | <b>9,052</b>    | <b>10,492</b>   | <b>12,855</b>        | <b>12,085</b>   | <b>12,085</b>      | <b>12,811</b>                                       | <b>13,579</b>          | <b>14,394</b>          |
| <b>% increase</b>                                               | 4   |                 | <b>(0.0%)</b>   | <b>15.9%</b>    | <b>22.5%</b>         | <b>(6.0%)</b>   | <b>-</b>           | <b>6.0%</b>                                         | <b>6.0%</b>            | <b>6.0%</b>            |
| <b><u>Senior Managers of the Municipality</u></b>               | 2   |                 |                 |                 |                      |                 |                    |                                                     |                        |                        |
| Basic Salaries and Wages                                        |     | 2,091           | 3,130           |                 | 3,637                | 3,637           | 3,637              | 3,797                                               | 3,974                  | 4,168                  |
| Pension and UIF Contributions                                   |     | 4               |                 |                 | 10                   | 10              | 10                 | 11                                                  | 11                     | 12                     |
| Motor Vehicle Allowance                                         | 3   | 1,170           |                 |                 | 2,345                | 2,345           | 2,345              | 2,448                                               | 2,562                  | 2,687                  |
| Cellphone Allowance                                             | 3   | 51              |                 |                 | 82                   | 82              | 82                 | 86                                                  | 90                     | 94                     |
| Other benefits and allowances                                   | 3   | 675             | 2,747           |                 | 747                  | 747             | 747                | 780                                                 | 816                    | 856                    |
| Payments in lieu of leave                                       |     | 458             |                 |                 |                      | -               | -                  | -                                                   | -                      | -                      |
| <b>Sub Total - Senior Managers of Municipality</b>              |     | <b>4,448</b>    | <b>5,877</b>    | <b>-</b>        | <b>6,821</b>         | <b>6,821</b>    | <b>6,821</b>       | <b>7,121</b>                                        | <b>7,452</b>           | <b>7,818</b>           |
| <b>% increase</b>                                               | 4   |                 | <b>32.1%</b>    | <b>(100.0%)</b> | <b>-</b>             | <b>-</b>        | <b>-</b>           | <b>4.4%</b>                                         | <b>4.7%</b>            | <b>4.9%</b>            |
| <b><u>Other Municipal Staff</u></b>                             |     |                 |                 |                 |                      |                 |                    |                                                     |                        |                        |
| Basic Salaries and Wages                                        |     | 44,054          | 56,328          | 94,192          | 68,254               | 70,020          | 70,020             | 73,101                                              | 76,500                 | 80,249                 |
| Pension and UIF Contributions                                   |     | 9,606           | 11,912          |                 | 14,895               | 13,551          | 13,551             | 14,153                                              | 14,812                 | 15,537                 |
| Medical Aid Contributions                                       |     | 3,224           | 3,081           |                 | 4,855                | 4,375           | 4,375              | 4,567                                               | 4,780                  | 5,014                  |
| Overtime                                                        |     | 2,167           | 3,480           |                 | 3,824                | 3,978           | 3,978              | 4,153                                               | 4,346                  | 4,559                  |
| Performance Bonus                                               |     | -               |                 |                 | -                    | -               | -                  | -                                                   | -                      | -                      |
| Motor Vehicle Allowance                                         | 3   | 5,457           | 8,059           |                 | 11,549               | 12,427          | 12,427             | 12,974                                              | 13,577                 | 14,242                 |
| Cellphone Allowance                                             | 3   | 537             | 657             |                 | 972                  | 1,000           | 1,000              | 1,044                                               | 1,093                  | 1,147                  |

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|                                                |     |                |                |                |                |                |                |                |                |                |
|------------------------------------------------|-----|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Housing Allowances                             | 3   | 617            | 619            |                | 1,655          | 874            | 874            | 913            | 955            | 1,002          |
| Other benefits and allowances                  | 3   | 18,487         | 447            |                | 5,555          | 3,835          | 3,835          | 4,004          | 4,190          | 4,396          |
| Payments in lieu of leave                      |     | 4,204          |                |                |                | –              | –              | –              | –              | –              |
| Long service awards                            |     | –              | 3,251          |                |                | 634            | 634            | 662            | 693            | 727            |
| Post-retirement benefit obligations            | 6   |                |                |                |                | –              | –              | –              | –              | –              |
| <b>Sub Total - Other Municipal Staff</b>       |     | <b>88,352</b>  | <b>87,835</b>  | <b>94,192</b>  | <b>111,558</b> | <b>110,694</b> | <b>110,694</b> | <b>115,571</b> | <b>120,945</b> | <b>126,872</b> |
| <b>% increase</b>                              | 4   |                | <b>(0.6%)</b>  | <b>7.2%</b>    | <b>18.4%</b>   | <b>(0.8%)</b>  | <b>–</b>       | <b>4.4%</b>    | <b>4.7%</b>    | <b>4.9%</b>    |
| <b>Total Parent Municipality</b>               |     | <b>101,854</b> | <b>102,764</b> | <b>104,684</b> | <b>131,235</b> | <b>129,601</b> | <b>129,601</b> | <b>135,503</b> | <b>141,977</b> | <b>149,083</b> |
|                                                |     |                | 0.9%           | 1.9%           | 25.4%          | (1.2%)         | –              | 4.6%           | 4.8%           | 5.0%           |
| <b>TOTAL SALARY, ALLOWANCES &amp; BENEFITS</b> |     | <b>101,854</b> | <b>102,764</b> | <b>104,684</b> | <b>131,235</b> | <b>129,601</b> | <b>129,601</b> | <b>135,503</b> | <b>141,977</b> | <b>149,083</b> |
| <b>% increase</b>                              | 4   |                | 0.9%           | 1.9%           | 25.4%          | (1.2%)         | –              | 4.6%           | 4.8%           | 5.0%           |
| <b>TOTAL MANAGERS AND STAFF</b>                | 5,7 | <b>92,800</b>  | <b>93,712</b>  | <b>94,192</b>  | <b>118,379</b> | <b>117,516</b> | <b>117,516</b> | <b>122,693</b> | <b>128,398</b> | <b>134,689</b> |

### 13.3 Disclosure of Salaries for Political Office Bearers, Councillors and Senior Managers

LIM334 Ba-Phalaborwa - Supporting Table SA23 Salaries, allowances & benefits (political office bearers/councillors/senior managers)

| Disclosure of Salaries, Allowances & Benefits 1.                     | Ref  | No. | Salary            | Contributions | Allowances       | Performance Bonuses | In-kind benefits | Total Package     |
|----------------------------------------------------------------------|------|-----|-------------------|---------------|------------------|---------------------|------------------|-------------------|
| Rand per annum                                                       |      |     |                   | 1.            |                  |                     |                  | 2.                |
| <b><u>Councillors</u></b>                                            | 3    |     |                   |               |                  |                     |                  |                   |
| Speaker                                                              | 4    |     | 474,474           |               | 180,278          |                     |                  | 654,751           |
| Chief Whip                                                           |      |     | 444,820           |               | 170,393          |                     |                  | 615,213           |
| Executive Mayor                                                      |      |     | 593,093           |               | 219,818          |                     |                  | 812,911           |
| Executive Committee                                                  |      |     | 2,668,920         |               | 1,022,361        |                     |                  | 3,691,281         |
| Total for all other councillors                                      |      |     | 4,349,248         |               | 2,687,161        |                     |                  | 7,036,409         |
| <b>Total Councillors</b>                                             | 8    | –   | <b>8,530,555</b>  | <b>–</b>      | <b>4,280,010</b> |                     |                  | <b>12,810,565</b> |
| <b><u>Senior Managers of the Municipality</u></b>                    | 5    |     |                   |               |                  |                     |                  |                   |
| Municipal Manager (MM)                                               |      |     | 875,109           | 1,785         | 666,513          |                     |                  | 1,543,407         |
| Chief Finance Officer                                                |      |     | 870,646           | 1,785         | 350,227          |                     |                  | 1,222,657         |
| Director Technical Services                                          |      |     | 662,624           | 1,785         | 521,471          |                     |                  | 1,185,880         |
| Director Corporate Services                                          |      |     | 661,272           | 1,785         | 319,212          |                     |                  | 982,269           |
| Director Planning and Development                                    |      |     | 531,051           | 1,785         | 456,221          |                     |                  | 989,057           |
| Director Community Services                                          |      |     | 876,686           | 1,785         | 319,568          |                     |                  | 1,198,038         |
| <b>Total Senior Managers of the Municipality</b>                     | 8,10 | –   | <b>4,477,389</b>  | <b>10,708</b> | <b>2,633,212</b> | <b>–</b>            |                  | <b>7,121,308</b>  |
| <b>TOTAL COST OF COUNCILLOR, DIRECTOR and EXECUTIVE REMUNERATION</b> | 10   | –   | <b>13,007,944</b> | <b>10,708</b> | <b>6,913,222</b> | <b>–</b>            |                  | <b>19,931,874</b> |

## 14. MONTHLY TARGETS FOR REVENUE AND EXPENDITURE

LIM334 Ba-Phalaborwa - Supporting Table SA25 Budgeted monthly revenue and expenditure

| Description<br>R thousand                                            | R<br>e<br>f | Budget Year 2015/16 |               |               |               |               |               |               |               |               |               |               |               | Medium Term Revenue and Expenditure Framework |                        |                        |
|----------------------------------------------------------------------|-------------|---------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|-----------------------------------------------|------------------------|------------------------|
|                                                                      |             | July                | August        | Sept.         | October       | November      | December      | January       | February      | March         | April         | May           | June          | Budget Year 2015/16                           | Budget Year +1 2016/17 | Budget Year +2 2017/18 |
| <b>Revenue By Source</b>                                             | -           |                     |               |               |               |               |               |               |               |               |               |               |               |                                               |                        |                        |
| Property rates                                                       |             | 10,382              | 10,382        | 10,382        | 10,382        | 10,382        | 10,382        | 10,382        | 10,382        | 10,382        | 10,382        | 10,382        | 10,382        | 124,589                                       | 130,569                | 138,273                |
| Service charges - electricity revenue                                |             | 8,805               | 8,805         | 8,805         | 8,805         | 8,805         | 8,805         | 8,805         | 8,805         | 8,805         | 8,805         | 8,805         | 8,805         | 105,666                                       | 110,738                | 117,271                |
| Service charges - refuse revenue                                     |             | 998                 | 998           | 998           | 998           | 998           | 998           | 998           | 998           | 998           | 998           | 998           | 998           | 11,971                                        | 12,546                 | 13,286                 |
| Rental of facilities and equipment                                   |             | 29                  | 29            | 29            | 29            | 29            | 29            | 29            | 29            | 29            | 29            | 29            | 29            | 346                                           | 362                    | 384                    |
| Interest earned - external investments                               |             | 23                  | 23            | 23            | 23            | 23            | 23            | 23            | 23            | 23            | 23            | 23            | 23            | 275                                           | 288                    | 305                    |
| Interest earned - outstanding debtors                                |             | 5,914               | 5,914         | 5,914         | 5,914         | 5,914         | 5,914         | 5,914         | 5,914         | 5,914         | 5,914         | 5,914         | 5,914         | 70,973                                        | 71,316                 | 71,732                 |
| Dividends received                                                   |             | 0                   | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 3                                             | 3                      | 3                      |
| Fines                                                                |             | 243                 | 243           | 243           | 243           | 243           | 243           | 243           | 243           | 243           | 243           | 243           | 243           | 2,917                                         | 3,057                  | 3,238                  |
| Licences and permits                                                 |             | 783                 | 783           | 783           | 783           | 783           | 783           | 783           | 783           | 783           | 783           | 783           | 783           | 9,399                                         | 9,850                  | 10,432                 |
| Agency services                                                      |             | 198                 | 198           | 198           | 198           | 198           | 198           | 198           | 198           | 198           | 198           | 198           | 198           | 2,381                                         | 2,496                  | 2,643                  |
| Transfers recognised - operational                                   |             | 9,430               | 9,430         | 9,430         | 9,430         | 9,430         | 9,430         | 9,430         | 9,430         | 9,430         | 9,430         | 9,430         | 9,430         | 113,160                                       | 115,290                | 115,663                |
| Other revenue                                                        |             | 115                 | 115           | 115           | 115           | 115           | 115           | 115           | 115           | 115           | 115           | 115           | 115           | 1,385                                         | 1,452                  | 1,537                  |
| Gains on disposal of PPE                                             |             | -                   | -             | -             | -             | -             | -             | -             | -             | -             | -             | -             | -             | -                                             | -                      | -                      |
| <b>Total Revenue (excluding capital transfers and contributions)</b> |             | <b>36,922</b>       | <b>36,922</b> | <b>36,922</b> | <b>36,922</b> | <b>36,922</b> | <b>36,922</b> | <b>36,922</b> | <b>36,922</b> | <b>36,922</b> | <b>36,922</b> | <b>36,922</b> | <b>36,922</b> | <b>443,065</b>                                | <b>457,967</b>         | <b>474,766</b>         |
| <b>Expenditure By Type</b>                                           | -           |                     |               |               |               |               |               |               |               |               |               |               |               |                                               |                        |                        |
| Employee related costs                                               |             | 10,224              | 10,224        | 10,224        | 10,224        | 10,224        | 10,224        | 10,224        | 10,224        | 10,224        | 10,224        | 10,224        | 10,224        | 122,693                                       | 128,398                | 134,689                |
| Remuneration of councillors                                          |             | 1,068               | 1,068         | 1,068         | 1,068         | 1,068         | 1,068         | 1,068         | 1,068         | 1,068         | 1,068         | 1,068         | 1,068         | 12,811                                        | 13,579                 | 14,394                 |

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|                                                                      |          |                |                |                |                |                |                |                |                |                |                |                |                |                 |                 |                 |
|----------------------------------------------------------------------|----------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|-----------------|-----------------|-----------------|
| Debt impairment                                                      |          | 2,777          | 2,777          | 2,777          | 2,777          | 2,777          | 2,777          | 2,777          | 2,777          | 2,777          | 2,777          | 2,777          | 2,777          | 33,326          | 34,925          | 36,986          |
| Depreciation & asset impairment                                      |          | 5,842          | 5,842          | 5,842          | 5,842          | 5,842          | 5,842          | 5,842          | 5,842          | 5,842          | 5,842          | 5,842          | 5,842          | 70,104          | 73,469          | 77,804          |
| Finance charges                                                      |          | 176            | 176            | 176            | 176            | 176            | 176            | 176            | 176            | 176            | 176            | 176            | 176            | 2,109           | 2,211           | 2,341           |
| Bulk purchases                                                       |          | 7,861          | 7,861          | 7,861          | 7,861          | 7,861          | 7,861          | 7,861          | 7,861          | 7,861          | 7,861          | 7,861          | 7,861          | 94,332          | 95,000          | 96,000          |
| Other materials                                                      |          | –              | –              | –              | –              | –              | –              | –              | –              | –              | –              | –              | –              | –               | –               | –               |
| Contracted services                                                  |          | 4,355          | 4,355          | 4,355          | 4,355          | 4,355          | 4,355          | 4,355          | 4,355          | 4,355          | 4,355          | 4,355          | 4,355          | 52,256          | 54,765          | 57,996          |
| Transfers and grants                                                 |          | –              | –              | –              | –              | –              | –              | –              | –              | –              | –              | –              | –              | –               | –               | –               |
| Other expenditure                                                    |          | 6,863          | 6,863          | 6,863          | 6,863          | 6,863          | 6,863          | 6,863          | 6,863          | 6,863          | 6,863          | 6,863          | 6,863          | 82,362          | 86,267          | 91,298          |
| Loss on disposal of PPE                                              |          | –              | –              | –              | –              | –              | –              | –              | –              | –              | –              | –              | –              | –               | –               | –               |
| <b>Total Expenditure</b>                                             |          | <b>39,166</b>  | <b>39,166</b>  | <b>39,166</b>  | <b>39,166</b>  | <b>39,166</b>  | <b>39,166</b>  | <b>39,166</b>  | <b>39,166</b>  | <b>39,166</b>  | <b>39,166</b>  | <b>39,166</b>  | <b>39,166</b>  | <b>469,992</b>  | <b>488,614</b>  | <b>511,507</b>  |
| <b>Surplus/(Deficit)</b>                                             |          | <b>(2,244)</b> | <b>(2,244)</b> | <b>(2,244)</b> | <b>(2,244)</b> | <b>(2,244)</b> | <b>(2,244)</b> | <b>(2,244)</b> | <b>(2,244)</b> | <b>(2,244)</b> | <b>(2,244)</b> | <b>(2,244)</b> | <b>(2,244)</b> | <b>(26,927)</b> | <b>(30,646)</b> | <b>(36,741)</b> |
| Transfers recognised - capital                                       |          | 3,041          | 3,041          | 3,041          | 3,041          | 3,041          | 3,041          | 3,041          | 3,041          | 3,041          | 3,041          | 3,041          | 3,041          | 36,492          | 37,560          | 42,159          |
| <b>Surplus/(Deficit) after capital transfers &amp; contributions</b> |          | <b>797</b>     | <b>797</b>     | <b>797</b>     | <b>797</b>     | <b>797</b>     | <b>797</b>     | <b>797</b>     | <b>797</b>     | <b>797</b>     | <b>797</b>     | <b>797</b>     | <b>797</b>     | <b>9,565</b>    | <b>6,914</b>    | <b>5,418</b>    |
| <b>Surplus/(Deficit)</b>                                             | <b>1</b> | <b>797</b>     | <b>797</b>     | <b>797</b>     | <b>797</b>     | <b>797</b>     | <b>797</b>     | <b>797</b>     | <b>797</b>     | <b>797</b>     | <b>797</b>     | <b>797</b>     | <b>797</b>     | <b>9,565</b>    | <b>6,914</b>    | <b>5,418</b>    |

### 15. Budgeted monthly revenue and expenditure (Standard classification)

LIM334 Ba-Phalaborwa - Supporting Table SA27 Budgeted monthly revenue and expenditure (standard classification)

| Description<br><br>R thousand                     | Ref | Budget Year 2015/16 |        |        |         |          |          |         |          |        |        |        |        | Medium Term Revenue and Expenditure Framework |                        |                        |
|---------------------------------------------------|-----|---------------------|--------|--------|---------|----------|----------|---------|----------|--------|--------|--------|--------|-----------------------------------------------|------------------------|------------------------|
|                                                   |     | July                | August | Sept.  | October | November | December | January | February | March  | April  | May    | June   | Budget Year 2015/16                           | Budget Year +1 2016/17 | Budget Year +2 2017/18 |
| <b><u>Revenue - Standard</u></b>                  | -   |                     |        |        |         |          |          |         |          |        |        |        |        |                                               |                        |                        |
| <b><i>Governance and administration</i></b>       |     | 25,580              | 25,580 | 25,580 | 25,580  | 25,580   | 25,580   | 25,580  | 25,580   | 25,580 | 25,580 | 25,580 | 25,580 | 306,962                                       | 316,595                | 325,063                |
| Executive and council                             |     | -                   | -      | -      | -       | -        | -        | -       | -        | -      | -      | -      | -      | -                                             | -                      | -                      |
| Budget and treasury office                        |     | 25,551              | 25,551 | 25,551 | 25,551  | 25,551   | 25,551   | 25,551  | 25,551   | 25,551 | 25,551 | 25,551 | 25,551 | 306,613                                       | 316,229                | 324,676                |
| Corporate services                                |     | 29                  | 29     | 29     | 29      | 29       | 29       | 29      | 29       | 29     | 29     | 29     | 29     | 349                                           | 365                    | 387                    |
| <b><i>Community and public safety</i></b>         |     | 1,248               | 1,248  | 1,248  | 1,248   | 1,248    | 1,248    | 1,248   | 1,248    | 1,248  | 1,248  | 1,248  | 1,248  | 14,980                                        | 15,699                 | 16,626                 |
| Community and social services                     |     | 1,018               | 1,018  | 1,018  | 1,018   | 1,018    | 1,018    | 1,018   | 1,018    | 1,018  | 1,018  | 1,018  | 1,018  | 12,213                                        | 12,799                 | 13,554                 |
| Public safety                                     |     | 231                 | 231    | 231    | 231     | 231      | 231      | 231     | 231      | 231    | 231    | 231    | 231    | 2,767                                         | 2,900                  | 3,071                  |
| <b><i>Economic and environmental services</i></b> |     | 2,748               | 2,748  | 2,748  | 2,748   | 2,748    | 2,748    | 2,748   | 2,748    | 2,748  | 2,748  | 2,748  | 2,748  | 32,978                                        | 32,949                 | 34,679                 |
| Road transport                                    |     | 2,748               | 2,748  | 2,748  | 2,748   | 2,748    | 2,748    | 2,748   | 2,748    | 2,748  | 2,748  | 2,748  | 2,748  | 32,978                                        | 32,949                 | 34,679                 |
| <b><i>Trading services</i></b>                    |     | 10,386              | 10,386 | 10,386 | 10,386  | 10,386   | 10,386   | 10,386  | 10,386   | 10,386 | 10,386 | 10,386 | 10,386 | 124,637                                       | 130,284                | 140,557                |
| Electricity                                       |     | 9,389               | 9,389  | 9,389  | 9,389   | 9,389    | 9,389    | 9,389   | 9,389    | 9,389  | 9,389  | 9,389  | 9,389  | 112,666                                       | 117,738                | 127,271                |
| Waste management                                  |     | 998                 | 998    | 998    | 998     | 998      | 998      | 998     | 998      | 998    | 998    | 998    | 998    | 11,971                                        | 12,546                 | 13,286                 |
| <b><i>Other</i></b>                               |     | -                   | -      | -      | -       | -        | -        | -       | -        | -      | -      | -      | -      | -                                             | -                      | -                      |
| <b>Total Revenue - Standard</b>                   |     | 39,963              | 39,963 | 39,963 | 39,963  | 39,963   | 39,963   | 39,963  | 39,963   | 39,963 | 39,963 | 39,963 | 39,963 | 479,557                                       | 495,527                | 516,925                |
| <b><u>Expenditure - Standard</u></b>              | -   |                     |        |        |         |          |          |         |          |        |        |        |        |                                               |                        |                        |
| <b><i>Governance and administration</i></b>       |     | 15,255              | 15,255 | 15,255 | 15,255  | 15,255   | 15,255   | 15,255  | 15,255   | 15,255 | 15,255 | 15,255 | 15,255 | 183,063                                       | 191,878                | 202,610                |
| Executive and council                             |     | 3,685               | 3,685  | 3,685  | 3,685   | 3,685    | 3,685    | 3,685   | 3,685    | 3,685  | 3,685  | 3,685  | 3,685  | 44,222                                        | 46,479                 | 49,102                 |
| Budget and treasury office                        |     |                     |        |        |         | 7,608    |          |         |          |        |        |        |        | 95,650                                        |                        | 101,061                |

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|--------------------------------------------|----------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|----------------|----------------|----------------|
|                                            |          | 7,608         | 7,608         | 7,608         | 7,608         |               | 7,608         | 7,608         | 7,608         | 7,608         | 7,608         | 7,608         | 7,608         | 91,301         |                |                |
| Corporate services                         |          | 3,962         | 3,962         | 3,962         | 3,962         | 3,962         | 3,962         | 3,962         | 3,962         | 3,962         | 3,962         | 3,962         | 3,962         | 47,540         | 49,749         | 52,447         |
| <b>Community and public safety</b>         |          | <b>4,843</b>  | <b>4,843</b>  | <b>4,843</b>  | <b>4,843</b>  | <b>4,843</b>  | <b>4,843</b>  | <b>4,843</b>  | <b>4,843</b>  | <b>4,843</b>  | <b>4,843</b>  | <b>4,843</b>  | <b>4,843</b>  | <b>58,121</b>  | <b>60,854</b>  | <b>64,049</b>  |
| Community and social services              |          | 3,902         | 3,902         | 3,902         | 3,902         | 3,902         | 3,902         | 3,902         | 3,902         | 3,902         | 3,902         | 3,902         | 3,902         | 46,819         | 49,022         | 51,607         |
| Public safety                              |          | 942           | 942           | 942           | 942           | 942           | 942           | 942           | 942           | 942           | 942           | 942           | 942           | 11,303         | 11,832         | 12,442         |
| <b>Economic and environmental services</b> |          | <b>8,117</b>  | <b>8,117</b>  | <b>8,117</b>  | <b>8,117</b>  | <b>8,117</b>  | <b>8,117</b>  | <b>8,117</b>  | <b>8,117</b>  | <b>8,117</b>  | <b>8,117</b>  | <b>8,117</b>  | <b>8,117</b>  | <b>97,404</b>  | <b>102,048</b> | <b>107,843</b> |
| Planning and development                   |          | 1,483         | 1,483         | 1,483         | 1,483         | 1,483         | 1,483         | 1,483         | 1,483         | 1,483         | 1,483         | 1,483         | 1,483         | 17,791         | 18,634         | 19,650         |
| Road transport                             |          | 6,634         | 6,634         | 6,634         | 6,634         | 6,634         | 6,634         | 6,634         | 6,634         | 6,634         | 6,634         | 6,634         | 6,634         | 79,613         | 83,414         | 88,193         |
| <b>Trading services</b>                    |          | <b>10,950</b> | <b>10,950</b> | <b>10,950</b> | <b>10,950</b> | <b>10,950</b> | <b>10,950</b> | <b>10,950</b> | <b>10,950</b> | <b>10,950</b> | <b>10,950</b> | <b>10,950</b> | <b>10,950</b> | <b>131,403</b> | <b>133,834</b> | <b>137,006</b> |
| Electricity                                |          | 10,358        | 10,358        | 10,358        | 10,358        | 10,358        | 10,358        | 10,358        | 10,358        | 10,358        | 10,358        | 10,358        | 10,358        | 124,296        | 126,387        | 129,129        |
| Waste management                           |          | 592           | 592           | 592           | 592           | 592           | 592           | 592           | 592           | 592           | 592           | 592           | 592           | 7,107          | 7,447          | 7,876          |
| <b>Other</b>                               |          | <b>-</b>      | <b>-</b>      | <b>-</b>      | <b>-</b>      | <b>-</b>      | <b>-</b>      | <b>-</b>      | <b>-</b>      | <b>-</b>      | <b>-</b>      | <b>-</b>      | <b>-</b>      | <b>-</b>       | <b>-</b>       | <b>-</b>       |
| <b>Total Expenditure - Standard</b>        |          | <b>39,166</b> | <b>39,166</b> | <b>39,166</b> | <b>39,166</b> | <b>39,166</b> | <b>39,166</b> | <b>39,166</b> | <b>39,166</b> | <b>39,166</b> | <b>39,166</b> | <b>39,166</b> | <b>39,166</b> | <b>469,992</b> | <b>488,614</b> | <b>511,507</b> |
| <b>Surplus/(Deficit) before assoc.</b>     |          | <b>797</b>    | <b>797</b>    | <b>797</b>    | <b>797</b>    | <b>797</b>    | <b>797</b>    | <b>797</b>    | <b>797</b>    | <b>797</b>    | <b>797</b>    | <b>797</b>    | <b>797</b>    | <b>9,565</b>   | <b>6,914</b>   | <b>5,418</b>   |
| Share of surplus/ (deficit) of associate   |          |               |               |               |               |               |               |               |               |               |               |               |               | -              | -              | -              |
| <b>Surplus/(Deficit)</b>                   | <b>1</b> | <b>797</b>    | <b>797</b>    | <b>797</b>    | <b>797</b>    | <b>797</b>    | <b>797</b>    | <b>797</b>    | <b>797</b>    | <b>797</b>    | <b>797</b>    | <b>797</b>    | <b>797</b>    | <b>9,565</b>   | <b>6,914</b>   | <b>5,418</b>   |

#### 14. Budgeted monthly cash flow

LIM334 Ba-Phalaborwa - Supporting Table SA30 Budgeted monthly cash flow

| MONTHLY CASH FLOWS                     | Budget Year 2015/16 |               |               |               |               |               |               |               |               |               |               |               | Medium Term Revenue and Expenditure Framework |                        |                        |
|----------------------------------------|---------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|-----------------------------------------------|------------------------|------------------------|
|                                        | July                | August        | Sept.         | October       | November      | December      | January       | February      | March         | April         | May           | June          | Budget Year 2015/16                           | Budget Year +1 2016/17 | Budget Year +2 2017/18 |
| <b>Cash Receipts By Source</b>         |                     |               |               |               |               |               |               |               |               |               |               |               | 1                                             |                        |                        |
| Property rates                         | 3,242               | 3,444         | 3,089         | 3,583         | 3,375         | 2,765         | 2,765         | 3,366         | 2,542         | 3,154         | 2,544         | 3,901         | 37,772                                        | 40,038                 | 42,160                 |
| Service charges - electricity revenue  | 7,773               | 3,254         | 4,381         | 4,211         | 6,069         | 3,404         | 3,404         | 5,398         | 7,389         | 5,834         | 5,944         | 22,189        | 79,249                                        | 83,053                 | 87,953                 |
| Service charges - water revenue        | 3,302               | 6,691         | 2,553         | 8,819         | 2,571         | 5,669         | 5,669         | 8,135         | 7,389         | 3,238         | 3,209         | 3,368         | 60,614                                        | 64,251                 | 67,656                 |
| Service charges - sanitation revenue   | 4,512               | 3,506         | 4,523         | 3,599         | 4,492         | 4,472         | 4,472         | 3,670         | 4,304         | 4,109         | 3,296         | 4,015         | 48,971                                        | 51,910                 | 54,661                 |
| Service charges - refuse revenue       | 488                 | 380           | 423           | 486           | 371           | 339           | 339           | 1,480         | 458           | 452           | 452           | 3,311         | 8,979                                         | 9,409                  | 9,965                  |
| Rental of facilities and equipment     | 20                  | 20            | 21            | 22            | 22            | 21            | 20            | 21            | 23            | 23            | 23            | 111           | 346                                           | 362                    | 384                    |
| Interest earned - external investments | 26                  | 26            | 27            | 19            | 29            | 28            | 17            | 26            | 25            | 26            | 16            | 8             | 275                                           | 288                    | 305                    |
| Interest earned - outstanding debtors  | 322                 | 327           | 329           | 329           | 330           | 330           | 330           | 331           | 329           | 326           | 329           | 15,617        | 19,230                                        | 19,487                 | 19,799                 |
| Dividends received                     | 0                   | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 3                                             | 3                      | 3                      |
| Fines                                  | 230                 | 232           | 233           | 234           | 231           | 232           | 230           | 233           | 235           | 234           | 233           | 192           | 2,751                                         | 2,902                  | 3,056                  |
| Licences and permits                   | 950                 | 852           | 757           | 459           | 561           | 462           | 763           | 1,163         | 964           | 866           | 1,165         | 579           | 9,544                                         | 10,069                 | 10,603                 |
| Agency services                        | 199                 | 199           | 200           | 198           | 196           | 195           | 194           | 193           | 193           | 194           | 195           | 228           | 2,386                                         | 2,517                  | 2,651                  |
| Transfer receipts - operational        | 37,720              | –             | –             | –             | 37,720        | –             | –             | –             | 37,720        | –             | –             | –             | 113,160                                       | 115,290                | 115,663                |
| Other revenue                          | 75                  | 76            | 75            | 77            | 77            | 78            | 79            | 76            | 74            | 75            | 76            | 547           | 1,385                                         | 1,452                  | 1,537                  |
| <b>Cash Receipts by Source</b>         | <b>58,860</b>       | <b>19,009</b> | <b>16,611</b> | <b>22,036</b> | <b>56,044</b> | <b>17,997</b> | <b>18,283</b> | <b>24,092</b> | <b>61,646</b> | <b>18,532</b> | <b>17,482</b> | <b>54,069</b> | <b>384,662</b>                                | <b>401,031</b>         | <b>416,394</b>         |
| <b>Other Cash Flows by Source</b>      |                     |               |               |               |               |               |               |               |               |               |               |               |                                               |                        |                        |
| Transfer receipts - capital            | 12,164              |               |               |               | 12,164        |               |               |               | 12,164        |               |               | –             | 36,492                                        | 37,560                 | 42,159                 |

Annual Budget 2015/16

|                                                |               |                 |                 |                |               |                 |                 |               |               |                 |                 |               |                |                |                |
|------------------------------------------------|---------------|-----------------|-----------------|----------------|---------------|-----------------|-----------------|---------------|---------------|-----------------|-----------------|---------------|----------------|----------------|----------------|
| <b>Total Cash Receipts by Source</b>           | <b>71,024</b> | <b>19,009</b>   | <b>16,611</b>   | <b>22,036</b>  | <b>68,208</b> | <b>17,997</b>   | <b>18,283</b>   | <b>24,092</b> | <b>73,810</b> | <b>18,532</b>   | <b>17,482</b>   | <b>54,069</b> | <b>421,154</b> | <b>438,591</b> | <b>458,553</b> |
| <b>Cash Payments by Type</b>                   |               |                 |                 |                |               |                 |                 |               |               |                 |                 |               |                |                |                |
| Employee related costs                         | 10,540        | 10,555          | 10,558          | 10,604         | 10,621        | 10,636          | 10,660          | 10,681        | 10,694        | 10,540          | 10,591          | 6,012         | 122,693        | 130,668        | 142,428        |
| Remuneration of councillors                    | 1,145         | 1,152           | 1,154           | 1,157          | 1,158         | 1,159           | 1,159           | 1,161         | 1,165         | 1,163           | 1,167           | 71            | 12,811         | 13,579         | 14,394         |
| Finance charges                                | 75            | 76              | 76              | 77             | 79            | 78              | 79              | 80            | 79            | 76              | 75              | 1,259         | 2,109          | 2,211          | 2,341          |
| Bulk purchases - Electricity                   | 7,352         | 7,340           | 7,384           | 6,413          | 7,446         | 7,492           | 7,388           | 5,369         | 8,351         | 8,348           | 8,325           | 13,124        | 94,332         | 96,765         | 98,110         |
| Contracted services                            | 4,164         | 4,192           | 4,098           | 3,210          | 4,171         | 4,060           | 4,089           | 2,120         | 4,155         | 4,182           | 7,199           | 8,616         | 54,256         | 54,765         | 57,996         |
| Other expenditure                              | 6,394         | 6,395           | 6,351           | 3,391          | 6,441         | 6,592           | 6,562           | 3,529         | 6,510         | 6,590           | 6,523           | 15,082        | 80,362         | 81,267         | 82,298         |
| <b>Cash Payments by Type</b>                   | <b>29,669</b> | <b>29,710</b>   | <b>29,622</b>   | <b>24,853</b>  | <b>29,916</b> | <b>30,017</b>   | <b>29,937</b>   | <b>22,940</b> | <b>30,955</b> | <b>30,898</b>   | <b>33,881</b>   | <b>44,165</b> | <b>366,562</b> | <b>379,254</b> | <b>397,567</b> |
| <b>Other Cash Flows/Payments by Type</b>       |               |                 |                 |                |               |                 |                 |               |               |                 |                 |               |                |                |                |
| Capital assets                                 | 4,044         | 5,068           | 4,095           | 2,127          | 4,156         | 4,021           | 5,015           | 2,004         | 5,116         | 4,009           | 5,011           | 9,127         | 53,792         | 54,860         | 59,459         |
| Repayment of borrowing                         |               |                 |                 |                |               |                 |                 |               |               |                 |                 | –             |                |                |                |
| Other Cash Flows/Payments                      |               |                 |                 |                |               |                 |                 |               |               |                 |                 | –             |                |                |                |
| <b>Total Cash Payments by Type</b>             | <b>33,713</b> | <b>34,778</b>   | <b>33,717</b>   | <b>26,980</b>  | <b>34,072</b> | <b>34,038</b>   | <b>34,952</b>   | <b>24,944</b> | <b>36,071</b> | <b>34,907</b>   | <b>38,891</b>   | <b>53,292</b> | <b>420,354</b> | <b>434,114</b> | <b>457,026</b> |
| <b>NET INCREASE/(DECREASE) IN CASH HELD</b>    | <b>37,311</b> | <b>(15,768)</b> | <b>(17,107)</b> | <b>(4,944)</b> | <b>34,137</b> | <b>(16,041)</b> | <b>(16,668)</b> | <b>(852)</b>  | <b>37,739</b> | <b>(16,375)</b> | <b>(21,409)</b> | <b>777</b>    | <b>800</b>     | <b>4,477</b>   | <b>1,528</b>   |
| Cash/cash equivalents at the month/year begin: | 813           | 38,123          | 22,355          | 5,249          | 305           | 34,442          | 18,400          | 1,732         | 880           | 38,619          | 22,244          | 835           | 813            | 1,612          | 6,089          |
| Cash/cash equivalents at the month/year end:   | 38,123        | 22,355          | 5,249           | 305            | 34,442        | 18,400          | 1,732           | 880           | 38,619        | 22,244          | 835             | 1,612         | 1,612          | 6,089          | 7,617          |

## 15 ANNUAL BUDGET AND SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLANS

The service delivery and budget implementation plan is tabled by the Mayor with this budget and IDP

## 16 CONTRACTS HAVING FUTURE BUDGETARY IMPLICATIONS

All services to be acquired on contracts are within the MTREF budget allocation. There is no project indicative to spent multi-year and above three years.

LIM334 Ba-Phalaborwa - Supporting Table SA33 Contracts having future budgetary implications

| Description                                              | Ref | Preceding Years | Current Year 2014/15 | 2015/16 Medium Term Revenue & Expenditure Framework |                        |                        | Forecast 2018/19 | Forecast 2019/20 | Forecast 2020/21 | Forecast 2021/22 | Forecast 2022/23 | Forecast 2023/24 | Forecast 2024/25 | Total Contract Value |
|----------------------------------------------------------|-----|-----------------|----------------------|-----------------------------------------------------|------------------------|------------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|----------------------|
| R thousand                                               | 1,3 | Total           | Original Budget      | Budget Year 2015/16                                 | Budget Year +1 2016/17 | Budget Year +2 2017/18 | Estimate         | Estimate         | Estimate         | Estimate         | Estimate         | Estimate         | Estimate         | Estimate             |
| <b>Parent Municipality:</b>                              |     |                 |                      |                                                     |                        |                        |                  |                  |                  |                  |                  |                  |                  |                      |
| <b><u>Revenue Obligation By Contract</u></b>             | 2   |                 |                      |                                                     |                        |                        |                  |                  |                  |                  |                  |                  |                  |                      |
| Contract 1                                               |     |                 |                      |                                                     |                        |                        |                  |                  |                  |                  |                  |                  |                  | -                    |
| Contract 2                                               |     |                 |                      |                                                     |                        |                        |                  |                  |                  |                  |                  |                  |                  | -                    |
| Contract 3 etc                                           |     |                 |                      |                                                     |                        |                        |                  |                  |                  |                  |                  |                  |                  | -                    |
| <b>Total Operating Revenue Implication</b>               |     | -               | -                    | -                                                   | -                      | -                      | -                | -                | -                | -                | -                | -                | -                | -                    |
| <b><u>Expenditure Obligation By Contract</u></b>         | 2   |                 |                      |                                                     |                        |                        |                  |                  |                  |                  |                  |                  |                  |                      |
| Contract 1                                               |     |                 |                      |                                                     |                        |                        |                  |                  |                  |                  |                  |                  |                  | -                    |
| Contract 2                                               |     |                 |                      |                                                     |                        |                        |                  |                  |                  |                  |                  |                  |                  | -                    |
| Contract 3 etc                                           |     |                 |                      |                                                     |                        |                        |                  |                  |                  |                  |                  |                  |                  | -                    |
| <b>Total Operating Expenditure Implication</b>           |     | -               | -                    | -                                                   | -                      | -                      | -                | -                | -                | -                | -                | -                | -                | -                    |
| <b><u>Capital Expenditure Obligation By Contract</u></b> | 2   |                 |                      |                                                     |                        |                        |                  |                  |                  |                  |                  |                  |                  |                      |
| Contract 1                                               |     |                 |                      |                                                     |                        |                        |                  |                  |                  |                  |                  |                  |                  | -                    |
| Contract 2                                               |     |                 |                      |                                                     |                        |                        |                  |                  |                  |                  |                  |                  |                  | -                    |
| Contract 3 etc                                           |     |                 |                      |                                                     |                        |                        |                  |                  |                  |                  |                  |                  |                  | -                    |
| <b>Total Capital Expenditure Implication</b>             |     | -               | -                    | -                                                   | -                      | -                      | -                | -                | -                | -                | -                | -                | -                | -                    |
| <b>Total Parent Expenditure Implication</b>              |     | -               | -                    | -                                                   | -                      | -                      | -                | -                | -                | -                | -                | -                | -                | -                    |

|                                          |
|------------------------------------------|
|                                          |
|                                          |
| <b>17    CAPITAL EXPENDITURE DETAILS</b> |
|                                          |



## 17.1 CAPITAL EXPENDITURE ON NEW ASSETS BY ASSET CLASS

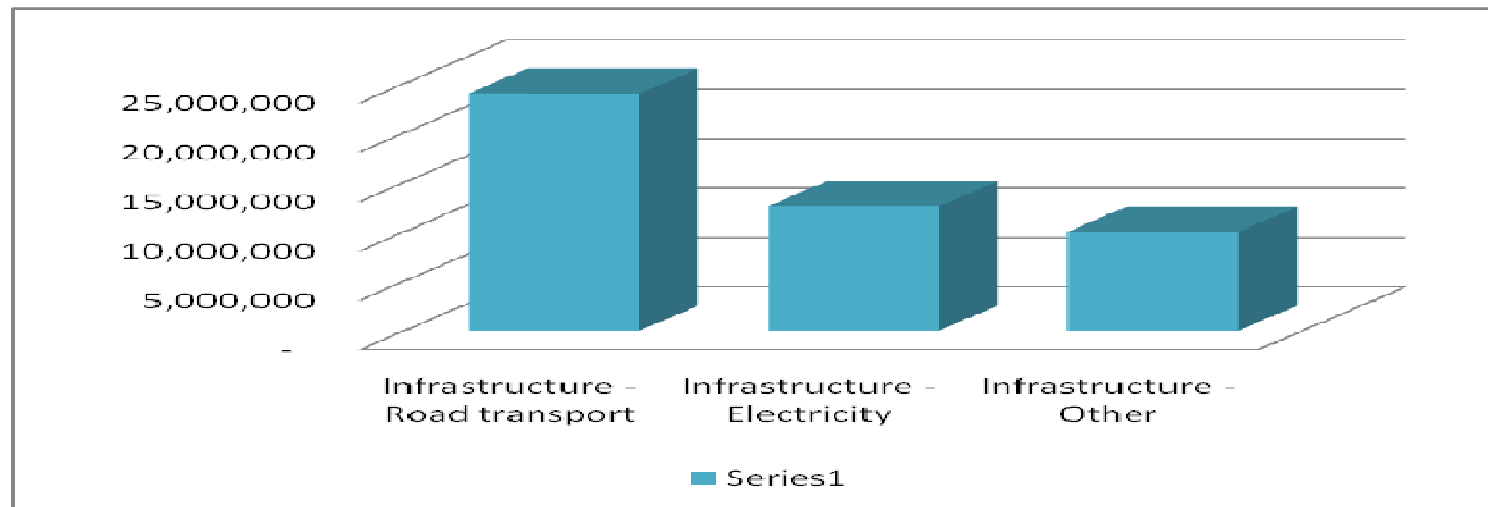
LIM334 Ba-Phalaborwa - Supporting Table SA34a Capital expenditure on new assets by asset class

| Description                                                       | Ref      | 2011/12         | 2012/13         | 2013/14         | Current Year 2014/15 |                 |                    | 2015/16 Medium Term Revenue & Expenditure Framework |                        |                        |
|-------------------------------------------------------------------|----------|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|-----------------------------------------------------|------------------------|------------------------|
|                                                                   |          | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget      | Adjusted Budget | Full Year Forecast | Budget Year 2015/16                                 | Budget Year +1 2016/17 | Budget Year +2 2017/18 |
| <b>R thousand</b>                                                 | <b>1</b> |                 |                 |                 |                      |                 |                    |                                                     |                        |                        |
| <b>Capital expenditure on new assets by Asset Class/Sub-class</b> |          |                 |                 |                 |                      |                 |                    |                                                     |                        |                        |
| -                                                                 |          |                 |                 |                 |                      |                 |                    |                                                     |                        |                        |
| <b>Infrastructure</b>                                             |          | <b>32,632</b>   | <b>37,840</b>   | <b>31,716</b>   | <b>55,079</b>        | <b>50,579</b>   | <b>50,579</b>      | <b>46,592</b>                                       | <b>47,660</b>          | <b>52,259</b>          |
| Infrastructure - Road transport                                   |          | 20,235          | 26,169          | 31,716          | 22,779               | 18,479          | 18,479             | 23,992                                              | 25,060                 | 26,659                 |
| Roads, Pavements & Bridges                                        |          | 20,235          | 26,169          | 31,713          | 22,779               | 18,479          | 18,479             | 23,992                                              | 25,060                 | 26,659                 |
| Infrastructure - Electricity                                      |          | 9,723           | 11,672          | -               | 27,800               | 24,300          | 24,300             | 12,600                                              | 12,600                 | 15,600                 |
| Transmission & Reticulation                                       |          | 9,723           | 11,672          |                 | 27,800               | 24,300          | 24,300             | 12,600                                              | 12,600                 | 15,600                 |
| Infrastructure - Other                                            |          | 2,674           | -               | -               | 4,500                | 7,800           | 7,800              | 10,000                                              | 10,000                 | 10,000                 |
| Other                                                             |          | 2,674           |                 |                 | 4,500                | 7,800           | 7,800              | 10,000                                              | 10,000                 | 10,000                 |
| <b>Community</b>                                                  |          | <b>1,584</b>    | <b>1,711</b>    | <b>8,830</b>    | <b>-</b>             | <b>-</b>        | <b>-</b>           | <b>-</b>                                            | <b>-</b>               | <b>-</b>               |
| Parks & gardens                                                   |          |                 |                 |                 |                      |                 |                    |                                                     |                        |                        |
| Other                                                             |          | 1,584           | 1,711           | 8,830           |                      |                 |                    |                                                     |                        |                        |
| <b>Other assets</b>                                               |          | <b>12,621</b>   | <b>3,398</b>    | <b>9,523</b>    | <b>6,100</b>         | <b>3,700</b>    | <b>3,700</b>       | <b>7,200</b>                                        | <b>7,200</b>           | <b>7,200</b>           |
| General vehicles                                                  |          |                 |                 |                 |                      |                 |                    |                                                     |                        |                        |
| Computers - hardware/equipment                                    |          |                 |                 |                 | 2,000                | 2,000           | 2,000              |                                                     |                        |                        |
| Furniture and other office equipment                              |          | 12,621          | 3,398           | 3,398           | 2,500                | 1,700           | 1,700              | 1,000                                               | 1,000                  | 1,000                  |
| Other Buildings                                                   |          |                 |                 |                 |                      |                 |                    | 2,700                                               | 2,700                  | 2,700                  |
| Other                                                             |          |                 |                 | 6,124           | 1,600                | -               | -                  | 3,500                                               | 3,500                  | 3,500                  |
|                                                                   |          |                 |                 |                 |                      |                 |                    |                                                     |                        |                        |
| <b>Total Capital Expenditure on new assets</b>                    | <b>1</b> | <b>46,837</b>   | <b>42,949</b>   | <b>49,569</b>   | <b>61,179</b>        | <b>54,279</b>   | <b>54,279</b>      | <b>53,792</b>                                       | <b>54,860</b>          | <b>59,459</b>          |

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## Capital Infrastructure programmes

The following graph provides a breakdown of the capital budget in rand value to be spent on infrastructure capital projects for 2015/16 Financial year.

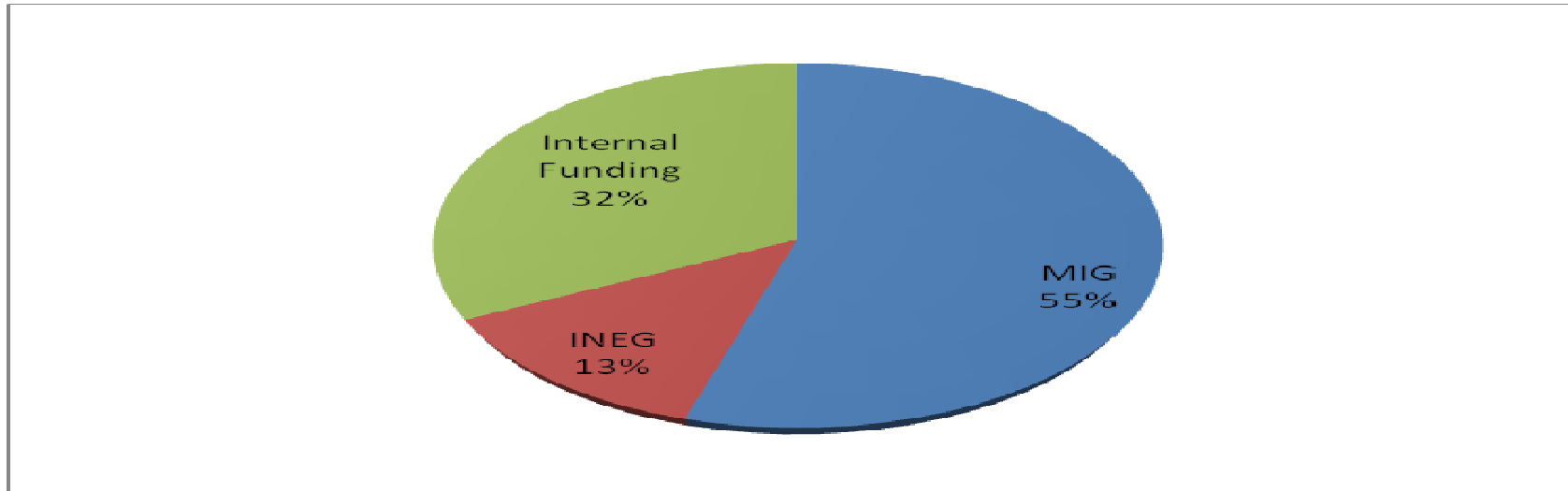


The MFMA provides that a municipality may approve multi-year or single-year capital budget appropriations.

For 2015/16 financial year the infrastructure- road transport is budgeted for R23,992 million and followed by the infrastructure electricity which is budgeted for R12,600 million for 2015/16 financial year. Infrastructure- other is budgeted for R10 million for 2015/16 financial year.

The budget appropriations for the two outer years are indicative allocations based on the departmental business plans as informed by the IDP and will be reviewed on an annual basis to assess the relevance of the expenditure in relation to the strategic objectives and service delivery imperatives of the municipality.

### **Funding on Capital Assets budget year 2015/16**



The capital programme is funded from grants and transfers, and internally generated funds from current year surpluses. For 2015/16 financial year, MIG totals to 55 percent, INEG at 13 percent and internally generated funding totals 32 percent over the MTREF.

## 17.2 DETAILED CAPITAL PROGRAMMES

| PROJECT DESCRIPTION                                                                                        | BUDGET            | SOURCE OF FUNDING |
|------------------------------------------------------------------------------------------------------------|-------------------|-------------------|
| Installation of Backup Generator                                                                           | 600,000           | BPM               |
| Upgrade of single phase network to three phase in Ex1                                                      | 2,000,000         | BPM               |
| Upgrade of switchgear and Protection relays at Cleveland                                                   | 3,000,000         | BPM               |
| Rehabilitation of street in Phalaborwa, Namakgale & Lulekani                                               | 3,000,000         | BPM               |
| Construction of stormwater culvert in maseke and Kanana                                                    | 500,000           | BPM               |
| Roads and Stormwater master plan                                                                           | 1,000,000         | BPM               |
| Design of municipal offices                                                                                | 500,000           | BPM               |
| Namakgale Cemetery (Fencing) Old and new                                                                   | 1,000,000         | BPM               |
| Development of Disaster recovery Plan & Business Continuity Plan                                           | 2,000,000         | BPM               |
| Upgrading of ICT Infrastructure (Cabling , Computers , Switches , Servers ,printers , wireless and Laptops | 1,500,000         | BPM               |
| Centralized Archives                                                                                       | 500,000           | BPM               |
| Furniture & Equipment                                                                                      | 1,000,000         | BPM               |
| Revamp of Chamber and Mayoral Parlour                                                                      | 700,000           | BPM               |
| Mashishimale sport complex                                                                                 | 9,000,000         | MIG               |
| Tambo street paving                                                                                        | 3,000,000         | MIG               |
| Upgrading of B1 Extension road                                                                             | 4,000,000         | MIG               |
| Upgrading of internal street at foskor                                                                     | 8,500,000         | MIG               |
| Benfarm street paving                                                                                      | 1,000,000         | MIG               |
| Selwane sport complex                                                                                      | 1,000,000         | MIG               |
| Topville to score street paving                                                                            | 2,992,000         | MIG               |
| Electrification of Biko Ext and Nina Nkulu                                                                 | 7,000,000         | INEG              |
|                                                                                                            | <b>53,792,000</b> |                   |

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## 18 LEGISLATION COMPLIANCE STATUS

The budget compilation has taken into account the following legislative documents

- Municipal Finance Management Act (MFMA), Act No.56 of 2003
- Division of Revenue of Act (DoRA) and the Bill 2015
- Budget Regulations and Circulars
- Asset Management Regulations
- Municipal systems Act, 2000
- Minimum Competency Levels of Municipal Finance Officers Regulations
- Local Government: Municipal Property Rates Act(MPRA)
- Municipal Budget and Reporting Regulations (MBRR)

## 19 OTHER SUPPORTING DOCUMENTS

### 19.1 Supporting details to Budgeted Financial Performance

LIM334 Ba-Phalaborwa - Table A1 Budget Summary

| Description                                                          | 2011/12         | 2012/13         | 2013/14         | Current Year 2014/15 |                 |                    |                   | 2015/16 Medium Term Revenue & Expenditure Framework |                        |                        |
|----------------------------------------------------------------------|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|-------------------|-----------------------------------------------------|------------------------|------------------------|
|                                                                      | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget      | Adjusted Budget | Full Year Forecast | Pre-audit outcome | Budget Year 2015/16                                 | Budget Year +1 2016/17 | Budget Year +2 2017/18 |
| <b>R thousands</b>                                                   |                 |                 |                 |                      |                 |                    |                   |                                                     |                        |                        |
| <b><u>Financial Performance</u></b>                                  |                 |                 |                 |                      |                 |                    |                   |                                                     |                        |                        |
| Property rates                                                       | 34,049          | 60,257          | 57,239          | 70,634               | 70,634          | 70,634             | 70,634            | 124,589                                             | 130,569                | 138,273                |
| Service charges                                                      | 73,480          | 79,414          | 93,504          | 106,664              | 106,664         | 106,664            | 106,664           | 117,637                                             | 123,284                | 130,557                |
| Investment revenue                                                   | 177             | 332             | 359             | 260                  | 260             | 260                | 260               | 275                                                 | 288                    | 305                    |
| Transfers recognised - operational                                   | 60,864          | 65,471          | 73,626          | 88,490               | 88,490          | 88,490             | 88,490            | 113,160                                             | 115,290                | 115,663                |
| Other own revenue                                                    | 45,313          | 50,508          | 73,672          | 90,204               | 90,204          | 90,204             | 90,204            | 87,404                                              | 88,537                 | 89,968                 |
|                                                                      | 213,883         | 255,983         | 298,400         | 356,251              | 356,251         | 356,251            | 356,251           | 443,065                                             | 457,967                | 474,766                |
| <b>Total Revenue (excluding capital transfers and contributions)</b> |                 |                 |                 |                      |                 |                    |                   |                                                     |                        |                        |
| Employee costs                                                       | 92,800          | 93,712          | 94,192          | 118,379              | 117,516         | 117,516            | 117,516           | 122,693                                             | 128,398                | 134,689                |
| Remuneration of councillors                                          | 9,054           | 9,052           | 10,492          | 12,855               | 12,085          | 12,085             | 12,085            | 12,811                                              | 13,579                 | 14,394                 |
| Depreciation & asset impairment                                      | 74,449          | 69,182          | 61,010          | 74,909               | 74,909          | 74,909             | 74,909            | 70,104                                              | 73,469                 | 77,804                 |
| Finance charges                                                      | 434             | 226             | 128             | 848                  | 2,048           | 2,048              | 2,048             | 2,109                                               | 2,211                  | 2,341                  |
| Materials and bulk purchases                                         | 56,508          | 53,402          | 67,501          | 82,573               | 82,573          | 82,573             | 82,573            | 94,332                                              | 95,000                 | 96,000                 |
| Transfers and grants                                                 | -               | -               | -               | -                    | -               | -                  | -                 | -                                                   | -                      | -                      |
| Other expenditure                                                    | 83,822          | 172,461         | 99,144          | 149,254              | 158,047         | 158,047            | 158,047           | 167,944                                             | 175,957                | 186,279                |
| <b>Total Expenditure</b>                                             | 317,067         | 398,036         | 332,466         | 438,819              | 447,178         | 447,178            | 447,178           | 469,992                                             | 488,614                | 511,507                |
| <b>Surplus/(Deficit)</b>                                             | (103,185)       | (142,052)       | (34,066)        | (82,567)             | (90,926)        | (90,926)           | (90,926)          | (26,927)                                            | (30,646)               | (36,741)               |
| Transfers recognised - capital                                       | 20,374          | 32,895          | 31,537          | 37,279               | 37,279          | 37,279             | 37,279            | 36,492                                              | 37,560                 | 42,159                 |
| Contributions recognised - capital & contributed assets              | -               | -               | -               | -                    | -               | -                  | -                 | -                                                   | -                      | -                      |
|                                                                      | (82,811)        | (109,157)       | (2,529)         | (45,289)             | (53,648)        | (53,648)           | (53,648)          | 9,565                                               | 6,914                  | 5,418                  |
| <b>Surplus/(Deficit) after capital transfers &amp; contributions</b> |                 |                 |                 |                      |                 |                    |                   |                                                     |                        |                        |
| Share of surplus/ (deficit) of associate                             | -               | -               | -               | -                    | -               | -                  | -                 | -                                                   | -                      | -                      |
| <b>Surplus/(Deficit) for the year</b>                                | (82,811)        | (109,157)       | (2,529)         | (45,289)             | (53,648)        | (53,648)           | (53,648)          | 9,565                                               | 6,914                  | 5,418                  |
| <b><u>Capital expenditure &amp; funds sources</u></b>                |                 |                 |                 |                      |                 |                    |                   |                                                     |                        |                        |

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|                                                      |                  |           |           |           |           |           |           |           |           |           |
|------------------------------------------------------|------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| <b>Capital expenditure</b>                           | <b>46,837</b>    | 42,949    | 49,569    | 61,179    | 54,279    | 54,279    | 54,279    | 53,792    | 54,860    | 59,459    |
| Transfers recognised - capital                       | <b>46,837</b>    | 29,238    | 28,439    | 37,279    | 37,279    | 37,279    | 37,279    | 36,492    | 37,560    | 42,159    |
| Public contributions & donations                     | –                | –         | 9,365     | –         | –         | –         | –         | –         | –         | –         |
| Internally generated funds                           | –                | 13,711    | 11,766    | 23,900    | 17,000    | 17,000    | 17,000    | 17,300    | 17,300    | 17,300    |
| <b>Total sources of capital funds</b>                | <b>46,837</b>    | 42,949    | 49,569    | 61,179    | 54,279    | 54,279    | 54,279    | 53,792    | 54,860    | 59,459    |
| <b><u>Financial position</u></b>                     |                  |           |           |           |           |           |           |           |           |           |
| Total current assets                                 | <b>159,157</b>   | 56,845    | 284,875   | 171,542   | 169,932   | 169,932   | 169,932   | 185,132   | 156,733   | 163,450   |
| Total non current assets                             | <b>1,120,753</b> | 1,057,189 | 1,051,575 | 1,284,539 | 1,277,639 | 1,277,639 | 1,277,639 | 1,360,832 | 1,436,991 | 1,513,131 |
| Total current liabilities                            | <b>322,232</b>   | 373,494   | 392,588   | 1,500     | 1,500     | 1,500     | 1,500     | 1,650     | 1,700     | 1,750     |
| Total non current liabilities                        | <b>36,618</b>    | 33,736    | 50,157    | 230,000   | 230,000   | 230,000   | 230,000   | 198,000   | 166,000   | 144,000   |
| Community wealth/Equity                              | <b>921,060</b>   | 706,805   | 893,704   | 1,224,581 | 1,216,071 | 1,216,071 | 1,216,071 | 1,336,315 | 1,416,024 | 1,520,831 |
| <b><u>Cash flows</u></b>                             |                  |           |           |           |           |           |           |           |           |           |
| Net cash from (used) operating                       | <b>25,939</b>    | 43,315    | 88,726    | 51,306    | 27,501    | 27,501    | 27,501    | 54,592    | 59,337    | 60,987    |
| Net cash from (used) investing                       | <b>(39,987)</b>  | (42,949)  | (102,469) | (51,179)  | (47,179)  | (47,179)  | (47,179)  | (53,792)  | (54,860)  | (59,459)  |
| Net cash from (used) financing                       | <b>11,113</b>    | (941)     | (6,131)   | –         | 20,000    | 20,000    | 20,000    | –         | –         | –         |
| <b>Cash/cash equivalents at the year end</b>         | <b>2,642</b>     | 2,066     | (17,807)  | 2,227     | 813       | 813       | 813       | 1,612     | 6,089     | 7,617     |
| <b><u>Cash backing/surplus reconciliation</u></b>    |                  |           |           |           |           |           |           |           |           |           |
| Cash and investments available                       | <b>(20,895)</b>  | 2,066     | (17,807)  | 3,600     | 1,990     | 1,990     | 1,990     | 3,800     | 3,900     | 3,950     |
| Application of cash and investments                  | <b>257,944</b>   | 356,136   | 301,790   | (41,837)  | (41,837)  | (41,837)  | (41,837)  | (18,544)  | (15,592)  | (16,451)  |
| <b>Balance - surplus (shortfall)</b>                 | <b>(278,839)</b> | (354,070) | (319,597) | 45,437    | 43,827    | 43,827    | 43,827    | 22,344    | 19,492    | 20,401    |
| <b><u>Asset management</u></b>                       |                  |           |           |           |           |           |           |           |           |           |
| Asset register summary (WDV)                         | <b>65,337</b>    | 1,160,515 | 1,051,575 | 1,284,539 | 1,277,639 | 1,277,639 | 1,360,832 | 1,360,832 | 1,436,991 | 1,513,131 |
| Depreciation & asset impairment                      | <b>74,449</b>    | 69,182    | 61,010    | 74,909    | 74,909    | 74,909    | 70,104    | 70,104    | 73,469    | 77,804    |
| Renewal of Existing Assets                           | –                | –         | –         | –         | –         | –         | –         | –         | –         | –         |
| Repairs and Maintenance                              | –                | –         | 17,400    | 19,291    | 20,202    | 20,202    | 21,333    | 21,333    | 22,357    | 23,676    |
| <b><u>Free services</u></b>                          |                  |           |           |           |           |           |           |           |           |           |
| Cost of Free Basic Services provided                 | –                | –         | –         | –         | –         | –         | –         | –         | –         | –         |
| <b><u>Households below minimum service level</u></b> |                  |           |           |           |           |           |           |           |           |           |
| Water:                                               | 0                | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         |
| Sanitation/sewerage:                                 | 7                | 7         | 6         | 6         | 6         | 6         | 6         | 6         | 6         | 6         |
| Refuse:                                              | –                | –         | 21        | 21        | 21        | 21        | 21        | 21        | 21        | 21        |

## b.Matrix Financial Performance

**LIM334 Ba-Phalaborwa - Supporting Table SA2 Matrix Financial Performance Budget (revenue source/expenditure type and dept.)**

| Description                                                          | Executive and Council | Budget and Treasury Department | Corporate Services | Community and Social Services | Planning and Development | Technical Services Department | Total          |
|----------------------------------------------------------------------|-----------------------|--------------------------------|--------------------|-------------------------------|--------------------------|-------------------------------|----------------|
| <b>R thousand</b>                                                    |                       |                                |                    |                               |                          |                               |                |
| <b><u>Revenue By Source</u></b>                                      |                       |                                |                    |                               |                          |                               |                |
| Property rates                                                       | -                     | 124,589                        | -                  | -                             | -                        | -                             | <b>124,589</b> |
| Service charges - electricity revenue                                | -                     | -                              | -                  | -                             | -                        | 105,666                       | <b>105,666</b> |
| Service charges - refuse revenue                                     | -                     | -                              | -                  | 11,971                        | -                        | -                             | <b>11,971</b>  |
| Rental of facilities and equipment                                   | -                     | -                              | 346                | -                             | -                        | -                             | <b>346</b>     |
| Interest earned - external investments                               | -                     | 275                            | -                  | -                             | -                        | -                             | <b>275</b>     |
| Interest earned - outstanding debtors                                | -                     | 70,973                         | -                  | -                             | -                        | -                             | <b>70,973</b>  |
| Dividends received                                                   | -                     | 3                              | -                  | -                             | -                        | -                             | <b>3</b>       |
| Fines                                                                | -                     | -                              | -                  | 2,917                         | -                        | -                             | <b>2,917</b>   |
| Licences and permits                                                 | -                     | -                              | -                  | 9,399                         | -                        | -                             | <b>9,399</b>   |
| Agency services                                                      | -                     | -                              | -                  | 2,381                         | -                        | -                             | <b>2,381</b>   |
| Other revenue                                                        | -                     | 354                            | 3                  | 283                           | -                        | 745                           | <b>1,385</b>   |
| Transfers recognised - operational                                   | -                     | 110,420                        | -                  | -                             | -                        | 2,740                         | <b>113,160</b> |
| <b>Total Revenue (excluding capital transfers and contributions)</b> | <b>-</b>              | <b>306,613</b>                 | <b>349</b>         | <b>26,952</b>                 | <b>-</b>                 | <b>109,151</b>                | <b>443,065</b> |
| <b><u>Expenditure By Type</u></b>                                    |                       |                                |                    |                               |                          |                               |                |
| Employee related costs                                               | 12,745                | 22,178                         | 16,996             | 38,755                        | 7,885                    | 24,133                        | <b>122,693</b> |
| Remuneration of councillors                                          | 12,811                |                                |                    |                               |                          |                               | <b>12,811</b>  |
| Debt impairment                                                      |                       | 33,326                         |                    |                               |                          |                               | <b>33,326</b>  |
| Depreciation & asset impairment                                      |                       | 7,920                          |                    |                               |                          | 62,184                        | <b>70,104</b>  |
| Finance charges                                                      |                       | 2,109                          |                    |                               |                          |                               | <b>2,109</b>   |
| Bulk purchases                                                       |                       |                                |                    |                               |                          | 94,332                        | <b>94,332</b>  |
| Contracted services                                                  | 10,661                | 16,819                         | 5,745              | 11,110                        | 7,922                    |                               | <b>52,256</b>  |
| Other expenditure                                                    | 8,006                 | 8,948                          | 24,799             | 15,363                        | 1,984                    | 23,261                        | <b>82,362</b>  |
| <b>Total Expenditure</b>                                             | <b>44,222</b>         | <b>91,301</b>                  | <b>47,540</b>      | <b>65,228</b>                 | <b>17,791</b>            | <b>203,909</b>                | <b>469,992</b> |

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|                                                                      |                 |                |                 |                 |                 |                 |                 |
|----------------------------------------------------------------------|-----------------|----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| <b>Surplus/(Deficit)</b>                                             | <b>(44,222)</b> | <b>215,313</b> | <b>(47,191)</b> | <b>(38,276)</b> | <b>(17,791)</b> | <b>(94,758)</b> | <b>(26,927)</b> |
| Transfers recognised - capital                                       |                 |                |                 |                 |                 | <b>36,492</b>   | <b>36,492</b>   |
| Contributed assets                                                   |                 |                |                 |                 |                 |                 | -               |
| <b>Surplus/(Deficit) after capital transfers &amp; contributions</b> | <b>(44,222)</b> | <b>215,313</b> | <b>(47,191)</b> | <b>(38,276)</b> | <b>(17,791)</b> | <b>(58,266)</b> | <b>9,565</b>    |

c.Supporting Details to Budgeted Financial Position

LIM334 Ba-Phalaborwa - Supporting Table SA3 Supporting detail to 'Budgeted Financial Position'

| Description                                       | Ref | 2011/12         | 2012/13         | 2013/14         | Current Year 2014/15 |                 |                    |                   | 2015/16 Medium Term Revenue & Expenditure Framework |                        |                        |
|---------------------------------------------------|-----|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|-------------------|-----------------------------------------------------|------------------------|------------------------|
|                                                   |     | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget      | Adjusted Budget | Full Year Forecast | Pre-audit outcome | Budget Year 2015/16                                 | Budget Year +1 2016/17 | Budget Year +2 2017/18 |
| <b>R thousand</b>                                 |     |                 |                 |                 |                      |                 |                    |                   |                                                     |                        |                        |
| <b>ASSETS</b>                                     |     |                 |                 |                 |                      |                 |                    |                   |                                                     |                        |                        |
| <b><u>Call investment deposits</u></b>            |     |                 |                 |                 |                      |                 |                    |                   |                                                     |                        |                        |
| Call deposits < 90 days                           |     | 2               |                 |                 | 1 500                | 1 500           | 1 500              | 1 500             | 1 700                                               | 1 800                  | 1 850                  |
| Other current investments > 90 days               |     |                 |                 |                 |                      |                 |                    |                   |                                                     |                        |                        |
| <b>Total Call investment deposits</b>             | 2   | 2               | –               | –               | 1 500                | 1 500           | 1 500              | 1 500             | 1 700                                               | 1 800                  | 1 850                  |
| <b><u>Consumer debtors</u></b>                    |     |                 |                 |                 |                      |                 |                    |                   |                                                     |                        |                        |
| Consumer debtors                                  |     | 152 863         | 45 372          | 110 688         | 190 000              | 190 000         | 190 000            | 190 000           | 195 000                                             | 200 000                | 140 000                |
| Less: Provision for debt impairment               |     |                 |                 |                 | (31 558)             | (31 558)        | (31 558)           | (31 558)          | (33 168)                                            | (66 667)               |                        |
| <b>Total Consumer debtors</b>                     | 2   | 152 863         | 45 372          | 110 688         | 158 442              | 158 442         | 158 442            | 158 442           | 161 832                                             | 133 333                | 140 000                |
| <b><u>Debt impairment provision</u></b>           |     |                 |                 |                 |                      |                 |                    |                   |                                                     |                        |                        |
| Balance at the beginning of the year              |     |                 |                 |                 |                      |                 |                    |                   |                                                     |                        |                        |
| Contributions to the provision                    |     |                 |                 |                 |                      |                 |                    |                   |                                                     |                        |                        |
| Bad debts written off                             |     |                 |                 |                 |                      |                 |                    |                   |                                                     |                        |                        |
| <b>Balance at end of year</b>                     |     | –               | –               | –               | –                    | –               | –                  | –                 | –                                                   | –                      | –                      |
| <b><u>Property, plant and equipment (PPE)</u></b> |     |                 |                 |                 |                      |                 |                    |                   |                                                     |                        |                        |
| PPE at cost/valuation (excl. finance leases)      |     | 1 120 753       | 1 056 876       | 1 051 231       | 1 716 894            | 1 709 994       | 1 709 994          | 1 709 994         | 1 868 249                                           | 2 020 219              | 2 127 291              |
| Leases recognised as PPE                          |     |                 |                 |                 |                      | –               | –                  | –                 |                                                     |                        |                        |
| Less: Accumulated depreciation                    |     |                 |                 |                 | 432 755              | 432 755         | 432 755            | 432 755           | 507 816                                             | 583 628                | 614 560                |
| <b>Total Property, plant and equipment (PPE)</b>  | 2   | 1 120 753       | 1 056 876       | 1 051 231       | 1 284 139            | 1 277 239       | 1 277 239          | 1 277 239         | 1 360 432                                           | 1 436 591              | 1 512 731              |
| <b>LIABILITIES</b>                                |     |                 |                 |                 |                      |                 |                    |                   |                                                     |                        |                        |
| <b><u>Current liabilities - Borrowing</u></b>     |     |                 |                 |                 |                      |                 |                    |                   |                                                     |                        |                        |
| Short term loans (other than bank overdraft)      |     | 6 530           |                 |                 |                      |                 |                    |                   |                                                     |                        |                        |
| Current portion of long-term liabilities          |     |                 |                 |                 |                      |                 |                    |                   |                                                     |                        |                        |
| <b>Total Current liabilities - Borrowing</b>      |     | 6 530           | –               | –               | –                    | –               | –                  | –                 | –                                                   | –                      | –                      |
| <b><u>Trade and other payables</u></b>            |     |                 |                 |                 |                      |                 |                    |                   |                                                     |                        |                        |
| Trade and other creditors                         |     | 289 287         | 368 002         | 363 596         |                      |                 |                    |                   | 5 091                                               | 5 305                  | 5 533                  |
| Unspent conditional transfers                     |     | 2 789           | 2 511           | 7 141           |                      |                 |                    |                   | –                                                   | –                      | –                      |
| VAT                                               |     |                 |                 |                 |                      |                 |                    |                   |                                                     |                        |                        |
| <b>Total Trade and other payables</b>             | 2   | 292 076         | 370 513         | 370 737         | –                    | –               | –                  | –                 | 5 091                                               | 5 305                  | 5 533                  |

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|                                                  |   |                |                 |                |                  |                  |                  |                  |                  |                  |                  |
|--------------------------------------------------|---|----------------|-----------------|----------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| <b>Non current liabilities - Borrowing</b>       |   |                |                 |                |                  |                  |                  |                  |                  |                  |                  |
| Borrowing                                        | 4 | 4 389          |                 |                | 210 000          | 210 000          | 210 000          | 210 000          | 180 000          | 150 000          | 130 000          |
| Finance leases (including PPP asset element)     |   | 262            |                 |                |                  |                  |                  |                  |                  |                  |                  |
| <b>Total Non current liabilities - Borrowing</b> |   | <b>4 651</b>   | <b>–</b>        | <b>–</b>       | <b>210 000</b>   | <b>210 000</b>   | <b>210 000</b>   | <b>210 000</b>   | <b>180 000</b>   | <b>150 000</b>   | <b>130 000</b>   |
| <b>Provisions - non-current</b>                  |   |                |                 |                |                  |                  |                  |                  |                  |                  |                  |
| Retirement benefits                              |   | 23 147         |                 |                |                  |                  |                  |                  |                  |                  |                  |
| List other major provision items                 |   |                |                 |                |                  |                  |                  |                  |                  |                  |                  |
| Refuse landfill site rehabilitation              |   |                |                 |                |                  |                  |                  |                  |                  |                  |                  |
| Other                                            |   | 8 820          | 33 736          | 50 157         | 20 000           | 20 000           | 20 000           | 20 000           | 18 000           | 16 000           | 14 000           |
| <b>Total Provisions - non-current</b>            |   | <b>31 967</b>  | <b>33 736</b>   | <b>50 157</b>  | <b>20 000</b>    | <b>20 000</b>    | <b>20 000</b>    | <b>20 000</b>    | <b>18 000</b>    | <b>16 000</b>    | <b>14 000</b>    |
| <b>CHANGES IN NET ASSETS</b>                     |   |                |                 |                |                  |                  |                  |                  |                  |                  |                  |
| <b>Accumulated Surplus/(Deficit)</b>             |   |                |                 |                |                  |                  |                  |                  |                  |                  |                  |
| Accumulated Surplus/(Deficit) - opening balance  |   | 162 276        |                 |                |                  |                  |                  |                  |                  |                  |                  |
| GRAP adjustments                                 |   | 841 913        |                 |                |                  |                  |                  |                  |                  |                  |                  |
| Restated balance                                 |   | 1 004 189      | –               | –              | –                | –                | –                | –                | –                | –                | –                |
| Surplus/(Deficit)                                |   | (82 811)       | (109 157)       | (2 529)        | (45 289)         | (53 648)         | (53 648)         | (53 648)         | 9 565            | 6 914            | 5 418            |
| Appropriations to Reserves                       |   |                |                 |                |                  |                  |                  |                  |                  |                  |                  |
| Transfers from Reserves                          |   |                |                 |                |                  |                  |                  |                  |                  |                  |                  |
| Depreciation offsets                             |   | 74 357         | 69 182          |                | 74 909           |                  |                  |                  |                  |                  |                  |
| Other adjustments                                |   |                |                 |                |                  |                  |                  |                  |                  |                  |                  |
| <b>Accumulated Surplus/(Deficit)</b>             | 1 | <b>995 736</b> | <b>(39 975)</b> | <b>(2 529)</b> | <b>29 620</b>    | <b>(53 648)</b>  | <b>(53 648)</b>  | <b>(53 648)</b>  | <b>9 565</b>     | <b>6 914</b>     | <b>5 418</b>     |
| <b>Reserves</b>                                  | - |                |                 |                |                  |                  |                  |                  |                  |                  |                  |
| Housing Development Fund                         |   |                |                 |                |                  |                  |                  |                  |                  |                  |                  |
| Capital replacement                              |   |                |                 |                |                  |                  |                  |                  |                  |                  |                  |
| Self-insurance                                   |   |                |                 |                |                  |                  |                  |                  |                  |                  |                  |
| Other reserves                                   |   |                |                 | 893 704        | 1 224 581        | 1 216 071        | 1 216 071        | 1 216 071        | 1 340 735        | 1 424 709        | 1 530 815        |
| Revaluation                                      |   |                |                 |                |                  |                  |                  |                  |                  |                  |                  |
| <b>Total Reserves</b>                            | 2 | <b>–</b>       | <b>–</b>        | <b>893 704</b> | <b>1 224 581</b> | <b>1 216 071</b> | <b>1 216 071</b> | <b>1 216 071</b> | <b>1 340 735</b> | <b>1 424 709</b> | <b>1 530 815</b> |
| <b>TOTAL COMMUNITY WEALTH/EQUITY</b>             | 2 | <b>995 736</b> | <b>(39 975)</b> | <b>891 175</b> | <b>1 254 201</b> | <b>1 162 423</b> | <b>1 162 423</b> | <b>1 162 423</b> | <b>1 350 300</b> | <b>1 431 622</b> | <b>1 536 233</b> |

d.The municipality has no entities.

## e.Reconciliation of transfers, Grant Receipts and Unspent Funds

**LIM334 Ba-Phalaborwa - Supporting Table SA20 Reconciliation of transfers, grant receipts and unspent funds**

| Description<br><br>R thousand                           | Ref | 2011/12         | 2012/13         | 2013/14         | Current Year 2014/15 |                 |                    | 2015/16 Medium Term Revenue & Expenditure Framework |                        |                        |
|---------------------------------------------------------|-----|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|-----------------------------------------------------|------------------------|------------------------|
|                                                         |     | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget      | Adjusted Budget | Full Year Forecast | Budget Year 2015/16                                 | Budget Year +1 2016/17 | Budget Year +2 2017/18 |
| <b>Operating transfers and grants:</b>                  | 1,3 |                 |                 |                 |                      |                 |                    |                                                     |                        |                        |
| <b>National Government:</b>                             |     |                 |                 |                 |                      |                 |                    |                                                     |                        |                        |
| Balance unspent at beginning of the year                |     |                 |                 |                 |                      |                 |                    |                                                     |                        |                        |
| Current year receipts                                   |     | 56,327          | 64,761          | 74,154          | 88,490               | 88,490          | 88,490             | 113,160                                             | 115,290                | 115,663                |
| <b>Conditions met - transferred to revenue</b>          |     | <b>56,327</b>   | <b>64,761</b>   | <b>74,154</b>   | <b>88,490</b>        | <b>88,490</b>   | <b>88,490</b>      | <b>113,160</b>                                      | <b>115,290</b>         | <b>115,663</b>         |
| Conditions still to be met - transferred to liabilities |     |                 |                 |                 |                      |                 |                    |                                                     |                        |                        |
| <b>Provincial Government:</b>                           |     |                 |                 |                 |                      |                 |                    |                                                     |                        |                        |
| Balance unspent at beginning of the year                |     |                 |                 |                 |                      |                 |                    |                                                     |                        |                        |
| Current year receipts                                   |     | 2,667           | –               | –               |                      |                 |                    |                                                     |                        |                        |
| <b>Conditions met - transferred to revenue</b>          |     | <b>2,667</b>    | <b>–</b>        | <b>–</b>        | <b>–</b>             | <b>–</b>        | <b>–</b>           | <b>–</b>                                            | <b>–</b>               | <b>–</b>               |
| Conditions still to be met - transferred to liabilities |     |                 |                 |                 |                      |                 |                    |                                                     |                        |                        |
| <b>District Municipality:</b>                           |     |                 |                 |                 |                      |                 |                    |                                                     |                        |                        |
| <b>Other grant providers:</b>                           |     |                 |                 |                 |                      |                 |                    |                                                     |                        |                        |
| Balance unspent at beginning of the year                |     |                 |                 |                 |                      |                 |                    |                                                     |                        |                        |
| Current year receipts                                   |     | 730             | 500             | –               |                      |                 |                    |                                                     |                        |                        |
| <b>Conditions met - transferred to revenue</b>          |     | <b>730</b>      | <b>500</b>      | <b>–</b>        | <b>–</b>             | <b>–</b>        | <b>–</b>           | <b>–</b>                                            | <b>–</b>               | <b>–</b>               |
| Conditions still to be met - transferred to liabilities |     |                 |                 |                 |                      |                 |                    |                                                     |                        |                        |
| <b>Total operating transfers and grants revenue</b>     |     | <b>59,724</b>   | <b>65,261</b>   | <b>74,154</b>   | <b>88,490</b>        | <b>88,490</b>   | <b>88,490</b>      | <b>113,160</b>                                      | <b>115,290</b>         | <b>115,663</b>         |
| <b>Total operating transfers and grants - CTBM</b>      | 2   | –               | –               | –               | –                    | –               | –                  | –                                                   | –                      | –                      |
| <b>Capital transfers and grants:</b>                    | 1,3 |                 |                 |                 |                      |                 |                    |                                                     |                        |                        |
| <b>National Government:</b>                             |     |                 |                 |                 |                      |                 |                    |                                                     |                        |                        |
| Balance unspent at beginning of the year                |     |                 |                 | –               |                      |                 |                    |                                                     |                        |                        |
| Current year receipts                                   |     | 22,129          | 33,778          | 38,151          | 37,279               | 37,279          | 37,279             | 36,492                                              | 37,560                 | 42,159                 |
| <b>Conditions met - transferred to revenue</b>          |     | <b>22,129</b>   | <b>33,778</b>   | <b>38,151</b>   | <b>37,279</b>        | <b>37,279</b>   | <b>37,279</b>      | <b>36,492</b>                                       | <b>37,560</b>          | <b>42,159</b>          |
| Conditions still to be met - transferred to liabilities |     |                 |                 |                 |                      |                 |                    |                                                     |                        |                        |
| <b>Other grant providers:</b>                           |     |                 |                 |                 |                      |                 |                    |                                                     |                        |                        |
| Balance unspent at beginning of the year                |     |                 |                 |                 |                      |                 |                    |                                                     |                        |                        |
| Current year receipts                                   |     | 400             |                 |                 |                      |                 |                    |                                                     |                        |                        |
| <b>Conditions met - transferred to revenue</b>          |     | <b>400</b>      | <b>–</b>        | <b>–</b>        | <b>–</b>             | <b>–</b>        | <b>–</b>           | <b>–</b>                                            | <b>–</b>               | <b>–</b>               |

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|                                                         |   |               |               |                |                |                |                |                |                |                |
|---------------------------------------------------------|---|---------------|---------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Conditions still to be met - transferred to liabilities |   |               |               |                |                |                |                |                |                |                |
| <b>Total capital transfers and grants revenue</b>       |   | <b>22,529</b> | <b>33,778</b> | <b>38,151</b>  | <b>37,279</b>  | <b>37,279</b>  | <b>37,279</b>  | <b>36,492</b>  | <b>37,560</b>  | <b>42,159</b>  |
| <b>Total capital transfers and grants - CTBM</b>        | 2 | –             | –             | –              | –              | –              | –              | –              | –              | –              |
| <b>TOTAL TRANSFERS AND GRANTS REVENUE</b>               |   | <b>82,253</b> | <b>99,039</b> | <b>112,305</b> | <b>125,769</b> | <b>125,769</b> | <b>125,769</b> | <b>149,652</b> | <b>152,850</b> | <b>157,822</b> |
| <b>TOTAL TRANSFERS AND GRANTS - CTBM</b>                |   | –             | –             | –              | –              | –              | –              | –              | –              | –              |

#### **f.Future Financial Implications**

- The municipality has no programmes above the three year budgeting cycle

#### **g.Projects Delayed from Previous Financial Years**

- No project delays from the previous financial year.

## Other supporting tables

**LIM334 Ba-Phalaborwa - Supporting Table SA4 Reconciliation of IDP strategic objectives and budget (revenue)**

| Strategic Objective                                                           | Goal                                                                                                                                                                                                                                                                                                                                 | Goal Code | Ref | 2011/12         | 2012/13         | 2013/14         | Current Year 2014/15 |                 |                    | 2015/16 Medium Term Revenue & Expenditure Framework |                        |                        |
|-------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|-----|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|-----------------------------------------------------|------------------------|------------------------|
|                                                                               |                                                                                                                                                                                                                                                                                                                                      |           |     | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget      | Adjusted Budget | Full Year Forecast | Budget Year 2015/16                                 | Budget Year +1 2016/17 | Budget Year +2 2017/18 |
| <b>R thousand</b>                                                             |                                                                                                                                                                                                                                                                                                                                      |           |     |                 |                 |                 |                      |                 |                    |                                                     |                        |                        |
| Integrate social development and services for sustainability                  | Programmes to strengthen community empowerment are HIV/Aids, Health, Education, Youth, Gender, Disability, Arts and Culture, Sports and Recreation, Libraries, Indigent Support, Traffic and Licensing, Safety and Security and Disaster management.                                                                                 |           |     | 10,888          | 13,899          | 26,267          | 25,522               | 25,522          | 25,522             | 26,952                                              | 28,245                 | 29,912                 |
| Integrate technical and social infrastructure and services for sustainability | Urgent attention needs to be paid to the provision of infrastructure and services (as per the constitutional requirements) to improve the accessibility of services to all communities within the municipal area. This will include basic services, roads, sports fields, community halls, libraries and the provision of cemeteries |           |     | 85,637          | 104,187         | 118,140         | 136,012              | 136,012         | 136,012            | 145,643                                             | 150,687                | 161,950                |

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|                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |  |  |  |  |  |  |  |  |  |  |  |
|-------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|--|--|--|--|--|--|--|--|--|--|
| Sustain the environment | Environmental sustainability must receive due consideration. Ba-Phalaborwa has scarce water resources, therefore special attention should be given to the conservation and management of water resources. Due to the mining activities, water and air pollution should be monitored and assessed continuously and mitigating actions taken to ensure management of pollution. Together with this, a great challenge for the Municipality is the establishment of a new landfill site and the closure and rehabilitation of the current landfill site. The development of parks should also be addressed under this objective |  |  |  |  |  |  |  |  |  |  |  |
|-------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|--|--|--|--|--|--|--|--|--|--|

|                             |                                                                                                                                                                                                                                                                                                                                          |  |  |         |         |         |         |         |         |         |         |         |
|-----------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|--|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| Improve financial viability | Weaknesses identified under this objective include financial viability, financial management, audit history, personnel budget, revenue collection and locked finances, maintenance budget, failure to maximise revenue collection. Strategies have been developed to ensure that challenges regarding financial viability are addressed. |  |  | 134,906 | 170,288 | 185,133 | 231,665 | 231,665 | 231,665 | 306,613 | 316,229 | 324,676 |
|-----------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|--|---------|---------|---------|---------|---------|---------|---------|---------|---------|



|                                    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |  |  |   |   |  |   |   |   |  |  |  |
|------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|--|---|---|--|---|---|---|--|--|--|
| Enhance stakeholder involvement    | One of the greatest challenges in municipalities is to involve the community in the activities of the municipality and ensure that the voice of the community is heard. Two programmes where this can be achieved are through public participation and ward committees. It is therefore crucial for the municipality to ensure that ward committees are functional and that the community's voice is heard through public participation. Customer relations management needs to be improved i.e. communication to communities and stakeholders and the customer care desk. Complaints by the community and stakeholders need to be tracked and reported back to them. |  |  |   |   |  |   |   |   |  |  |  |
| Facilitate sustainable development | All development should be aligned to the SDF and be according to the LUMS to ensure that growth points are developed. All programmes and projects should be continuously monitored and evaluated to ensure that they contribute to the future growth and achievement of the "bigger picture" envisaged for the municipal area.                                                                                                                                                                                                                                                                                                                                        |  |  | - | - |  | - | - | - |  |  |  |

|                                   |                                                                                                                                                                                                                                                                                                                                                                                                    |  |  |       |     |     |     |     |     |     |     |     |
|-----------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|--|-------|-----|-----|-----|-----|-----|-----|-----|-----|
| Advance good corporate governance | To enhance unqualified institutional management, institutional processes should be improved. Cooperative governance deals with policy implementation, audit, information and communication technology, intergovernmental relations which should be improved upon and strengthen. This will lead to open and transparent decision-making and sound governance practices throughout the municipality |  |  | 2,826 | 504 | 228 | 330 | 330 | 330 | 349 | 365 | 387 |
|-----------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|--|-------|-----|-----|-----|-----|-----|-----|-----|-----|

|                                                                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |  |   |         |         |         |         |         |         |         |         |         |
|----------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|---|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| Develop tourism and grow the economy                                 | The best way to alleviate poverty, curb unemployment and address social problems is to ensure that there are enough jobs so that everybody in the community can earn a living. Ba-Phalaborwa has various projects and initiatives to alleviate poverty and stimulate economic growth. Ba-Phalaborwa's strategic location has established it as a developmental and economic node in tourism, mining, agriculture and services. The aim with this objective is to ensure that all community members can participate and share in the growing economy. The Ba-Phalaborwa Sustainable Development Initiative will go a long way in ensuring that the poorest communities are included and benefitting through economic growth within the municipal area. |  |   |         |         | 170     |         |         |         |         |         |         |
| <b>Total Revenue (excluding capital transfers and contributions)</b> |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |  | 1 | 234,257 | 288,879 | 329,937 | 393,530 | 393,530 | 393,530 | 479,557 | 495,527 | 516,925 |

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**LIM334 Ba-Phalaborwa - Supporting Table SA6 Reconciliation of IDP strategic objectives and budget (capital expenditure)**

| Strategic Objective                                                           | Goal                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | Goal Code | Ref | 2011/12         | 2012/13         | 2013/14         | Current Year 2014/15 |                 |                    | 2015/16 Medium Term Revenue & Expenditure Framework |                        |                        |
|-------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|-----|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|-----------------------------------------------------|------------------------|------------------------|
|                                                                               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |           |     | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget      | Adjusted Budget | Full Year Forecast | Budget Year 2015/16                                 | Budget Year +1 2016/17 | Budget Year +2 2017/18 |
| <b>R thousand</b>                                                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |           |     |                 |                 |                 |                      |                 |                    |                                                     |                        |                        |
| Integrate social development and services for sustainability                  | Programmes to strengthen community empowerment are HIV/Aids, Health, Education, Youth, Gender, Disability, Arts and Culture, Sports and Recreation, Libraries, Indigent Support, Traffic and Licensing, Safety and Security and Disaster management.                                                                                                                                                                                                                                                                                                                                                                         | A         |     | –               | 1,711           | 8,330           | 1,600                | –               | –                  | –                                                   | –                      | –                      |
| Integrate technical and social infrastructure and services for sustainability | Urgent attention needs to be paid to the provision of infrastructure and services (as per the constitutional requirements) to improve the accessibility of services to all communities within the municipal area. This will include basic services, roads, sports fields, community halls, libraries and the provision of cemeteries                                                                                                                                                                                                                                                                                         | B         |     | 29,958          | 37,840          | 31,716          | 55,079               | 50,579          | 50,579             | 48,092                                              | 49,160                 | 53,759                 |
|                                                                               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | C         |     |                 |                 |                 |                      |                 |                    |                                                     |                        |                        |
| Sustain the environment                                                       | Environmental sustainability must receive due consideration. Ba-Phalaborwa has scarce water resources, therefore special attention should be given to the conservation and management of water resources. Due to the mining activities, water and air pollution should be monitored and assessed continuously and mitigating actions taken to ensure management of pollution. Together with this, a great challenge for the Municipality is the establishment of a new landfill site and the closure and rehabilitation of the current landfill site. The development of parks should also be addressed under this objective | D         |     | –               | –               | –               | –                    | –               | –                  | –                                                   | –                      | –                      |
|                                                                               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | E         |     |                 |                 |                 |                      |                 |                    |                                                     |                        |                        |
| Improve financial viability                                                   | Weaknesses identified under this objective include financial viability, financial management, audit history, personnel budget, revenue collection and locked finances, maintenance                                                                                                                                                                                                                                                                                                                                                                                                                                           | F         |     | 4,258           | –               | –               | –                    | –               | –                  | –                                                   | –                      | –                      |

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|                                    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |   |  |        |       |       |       |       |       |       |       |       |
|------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---|--|--------|-------|-------|-------|-------|-------|-------|-------|-------|
|                                    | budget, failure to maximise revenue collection. Strategies have been developed to ensure that challenges regarding financial viability are addressed.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | G |  |        |       |       |       |       |       |       |       |       |
| Enhance stakeholder involvement    | One of the greatest challenges in municipalities is to involve the community in the activities of the municipality and ensure that the voice of the community is heard. Two programmes where this can be achieved are through public participation and ward committees. It is therefore crucial for the municipality to ensure that ward committees are functional and that the community's voice is heard through public participation. Customer relations management needs to be improved i.e. communication to communities and stakeholders and the customer care desk. Complaints by the community and stakeholders need to be tracked and reported back to them. | H |  | -      | -     |       |       |       |       |       |       |       |
|                                    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | I |  |        |       |       |       |       |       |       |       |       |
| Facilitate sustainable development | All development should be aligned to the SDF and be according to the LUMS to ensure that growth points are developed. All programmes and projects should be continuously monitored and evaluated to ensure that they contribute to the future growth and achievement of the "bigger picture" envisaged for the municipal area.                                                                                                                                                                                                                                                                                                                                        | J |  | -      | -     |       |       |       |       |       |       |       |
|                                    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | K |  |        |       |       |       |       |       |       |       |       |
| Advance good corporate governance  | To enhance unqualified institutional management, institutional processes should be improved. Cooperative governance deals with policy implementation, audit, information and communication technology, intergovernmental relations which should be improved upon and                                                                                                                                                                                                                                                                                                                                                                                                  | L |  | 12,621 | 3,398 | 3,398 | 4,500 | 3,700 | 3,700 | 5,700 | 5,700 | 5,700 |

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|                                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |   |   |        |        |        |        |        |        |        |        |        |
|--------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---|---|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| Develop tourism and grow the economy | strengthen. This will lead to open and transparent decision-making and sound governance practices throughout the municipality                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | M | 3 |        |        |        |        |        |        |        |        |        |
|                                      | The best way to alleviate poverty, curb unemployment and address social problems is to ensure that there are enough jobs so that everybody in the community can earn a living. Ba-Phalaborwa has various projects and initiatives to alleviate poverty and stimulate economic growth. Ba-Phalaborwa's strategic location has established it as a developmental and economic node in tourism, mining, agriculture and services. The aim with this objective is to ensure that all community members can participate and share in the growing economy. The Ba-Phalaborwa Sustainable Development Initiative will go a long way in ensuring that the poorest communities are included and benefitting through economic growth within the municipal area. | N |   | 6,124  |        |        |        |        |        |        |        |        |
|                                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | O |   |        |        |        |        |        |        |        |        |        |
|                                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | P |   |        |        |        |        |        |        |        |        |        |
| Allocations to other priorities      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |   | 1 | 46,837 | 42,949 | 49,569 | 61,179 | 54,279 | 54,279 | 53,792 | 54,860 | 59,459 |

**LIM334 Ba-Phalaborwa - Supporting Table SA18 Transfers and grant receipts**

| Description                                     | Ref      | 2011/12         | 2012/13         | 2013/14         | Current Year 2014/15 |                 |                    | 2015/16 Medium Term Revenue & Expenditure Framework |                        |                        |
|-------------------------------------------------|----------|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|-----------------------------------------------------|------------------------|------------------------|
|                                                 |          | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget      | Adjusted Budget | Full Year Forecast | Budget Year 2015/16                                 | Budget Year +1 2016/17 | Budget Year +2 2017/18 |
| <b>R thousand</b>                               |          |                 |                 |                 |                      |                 |                    |                                                     |                        |                        |
| <b>RECEIPTS:</b>                                | 1, 2     |                 |                 |                 |                      |                 |                    |                                                     |                        |                        |
| <b>-</b>                                        |          |                 |                 |                 |                      |                 |                    |                                                     |                        |                        |
| <b><u>Operating Transfers and Grants</u></b>    |          |                 |                 |                 |                      |                 |                    |                                                     |                        |                        |
| <b>National Government:</b>                     |          | <b>56,327</b>   | <b>64,761</b>   | <b>74,154</b>   | <b>88,490</b>        | <b>88,490</b>   | <b>88,490</b>      | <b>113,160</b>                                      | <b>115,290</b>         | <b>115,663</b>         |
| Local Government Equitable Share                |          | 53,751          | 61,461          | 69,433          | 83,256               | 83,256          | 83,256             | 107,805                                             | 110,912                | 110,792                |
| Finance Management                              |          | 1,250           | 1,500           | 1,550           | 1,600                | 1,600           | 1,600              | 1,675                                               | 1,810                  | 2,145                  |
| Municipal Systems Improvement                   |          | 790             | 800             | 890             | 934                  | 934             | 934                | 940                                                 | 960                    | 1,033                  |
| EPWP Incentive                                  |          | 536             | 1,000           | 1,000           | 1,212                | 1,212           | 1,212              | 1,188                                               | -                      | -                      |
| Operating Grant: MIG (5% of MIG Grants for PMU) |          |                 |                 | 1,281           | 1,488                | 1,488           | 1,488              | 1,552                                               | 1,608                  | 1,693                  |
| <b>Provincial Government:</b>                   |          | <b>2,667</b>    | <b>-</b>        | <b>-</b>        | <b>-</b>             | <b>-</b>        | <b>-</b>           | <b>-</b>                                            | <b>-</b>               | <b>-</b>               |
| Excess Employees                                |          | 2,667           | -               | -               | -                    | -               | -                  | -                                                   | -                      | -                      |
| <b>Other grant providers:</b>                   |          | <b>730</b>      | <b>500</b>      | <b>-</b>        | <b>-</b>             | <b>-</b>        | <b>-</b>           | <b>-</b>                                            | <b>-</b>               | <b>-</b>               |
| DBSA                                            |          | 730             | 500             | -               | -                    | -               | -                  | -                                                   | -                      | -                      |
| <b>Total Operating Transfers and Grants</b>     | <b>5</b> | <b>59,724</b>   | <b>65,261</b>   | <b>74,154</b>   | <b>88,490</b>        | <b>88,490</b>   | <b>88,490</b>      | <b>113,160</b>                                      | <b>115,290</b>         | <b>115,663</b>         |
| <b><u>Capital Transfers and Grants</u></b>      |          |                 |                 |                 |                      |                 |                    |                                                     |                        |                        |
| <b>National Government:</b>                     |          | <b>22,129</b>   | <b>33,778</b>   | <b>38,151</b>   | <b>37,279</b>        | <b>37,279</b>   | <b>37,279</b>      | <b>36,492</b>                                       | <b>37,560</b>          | <b>42,159</b>          |
| Municipal Infrastructure Grant (MIG)            |          | 17,129          | 20,778          | 38,151          | 28,279               | 28,279          | 28,279             | 29,492                                              | 30,560                 | 32,159                 |
| Integrated National Electrification Grant       |          | 4,000           | 4,000           | -               | 9,000                | 9,000           | 9,000              | 7,000                                               | 7,000                  | 10,000                 |
| Neighbourhood Development Partnership           |          | 1,000           | 9,000           | -               | -                    | -               | -                  | -                                                   | -                      | -                      |
| Other capital transfers/grants [insert desc]    |          |                 |                 |                 |                      |                 |                    |                                                     |                        |                        |
| 0                                               |          |                 |                 |                 |                      |                 |                    |                                                     |                        |                        |
| <b>Other grant providers:</b>                   |          | <b>-</b>        | <b>400</b>      | <b>-</b>        | <b>-</b>             | <b>-</b>        | <b>-</b>           | <b>-</b>                                            | <b>-</b>               | <b>-</b>               |
| DBSA                                            |          |                 | 400             | -               | -                    | -               | -                  | -                                                   | -                      | -                      |
| <b>Total Capital Transfers and Grants</b>       | <b>5</b> | <b>22,129</b>   | <b>34,178</b>   | <b>38,151</b>   | <b>37,279</b>        | <b>37,279</b>   | <b>37,279</b>      | <b>36,492</b>                                       | <b>37,560</b>          | <b>42,159</b>          |
| <b>TOTAL RECEIPTS OF TRANSFERS &amp; GRANTS</b> |          | <b>81,853</b>   | <b>99,439</b>   | <b>112,305</b>  | <b>125,769</b>       | <b>125,769</b>  | <b>125,769</b>     | <b>149,652</b>                                      | <b>152,850</b>         | <b>157,822</b>         |

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**LIM334 Ba-Phalaborwa - Supporting Table SA19 Expenditure on transfers and grant programme**

| Description                                                 | Ref | 2011/12         | 2012/13         | 2013/14         | Current Year 2014/15 |                 |                    | 2015/16 Medium Term Revenue & Expenditure Framework |                        |                        |
|-------------------------------------------------------------|-----|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|-----------------------------------------------------|------------------------|------------------------|
|                                                             |     | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget      | Adjusted Budget | Full Year Forecast | Budget Year 2015/16                                 | Budget Year +1 2016/17 | Budget Year +2 2017/18 |
| <b>EXPENDITURE:</b>                                         | 1   |                 |                 |                 |                      |                 |                    |                                                     |                        |                        |
| <b>-</b>                                                    |     |                 |                 |                 |                      |                 |                    |                                                     |                        |                        |
| <b><u>Operating expenditure of Transfers and Grants</u></b> |     |                 |                 |                 |                      |                 |                    |                                                     |                        |                        |
| <b>National Government:</b>                                 |     | <b>56,327</b>   | <b>64,761</b>   | <b>73,626</b>   | <b>88,490</b>        | <b>88,490</b>   | <b>88,490</b>      | <b>113,160</b>                                      | <b>115,290</b>         | <b>115,663</b>         |
| Local Government Equitable Share                            |     | 53,751          | 61,461          | 69,433          | 83,256               | 83,256          | 83,256             | 107,805                                             | 110,912                | 110,792                |
| Finance Management                                          |     | 1,250           | 1,500           | 1,550           | 1,600                | 1,600           | 1,600              | 1,675                                               | 1,810                  | 2,145                  |
| Municipal Systems Improvement                               |     | 790             | 800             | 890             | 934                  | 934             | 934                | 940                                                 | 960                    | 1,033                  |
| EPWP Incentive                                              |     | 536             | 1,000           | 1,000           | 1,212                | 1,212           | 1,212              | 1,188                                               | -                      | -                      |
| Operating Grant: MIG (5% of MIG Grants for PMU)             |     |                 |                 | 753             | 1,488                | 1,488           | 1,488              | 1,552                                               | 1,608                  | 1,693                  |
| <b>Provincial Government:</b>                               |     | <b>2,667</b>    | <b>-</b>        | <b>-</b>        | <b>-</b>             | <b>-</b>        | <b>-</b>           | <b>-</b>                                            | <b>-</b>               | <b>-</b>               |
| Excess Employees                                            |     | 2,667           | -               | -               | -                    | -               | -                  | -                                                   | -                      | -                      |
| <b>Other grant providers:</b>                               |     | <b>730</b>      | <b>500</b>      | <b>-</b>        | <b>-</b>             | <b>-</b>        | <b>-</b>           | <b>-</b>                                            | <b>-</b>               | <b>-</b>               |
| DBSA                                                        |     | 730             | 500             | -               | -                    | -               | -                  | -                                                   | -                      | -                      |
| <b>Total operating expenditure of Transfers and Grants:</b> |     | <b>59,724</b>   | <b>65,261</b>   | <b>73,626</b>   | <b>88,490</b>        | <b>88,490</b>   | <b>88,490</b>      | <b>113,160</b>                                      | <b>115,290</b>         | <b>115,663</b>         |
| <b><u>Capital expenditure of Transfers and Grants</u></b>   |     |                 |                 |                 |                      |                 |                    |                                                     |                        |                        |
| <b>National Government:</b>                                 |     | <b>22,129</b>   | <b>32,676</b>   | <b>31,537</b>   | <b>37,279</b>        | <b>37,279</b>   | <b>37,279</b>      | <b>36,492</b>                                       | <b>37,560</b>          | <b>42,159</b>          |
| Municipal Infrastructure Grant (MIG)                        |     | 17,129          | 20,778          | 31,537          | 28,279               | 28,279          | 28,279             | 29,492                                              | 30,560                 | 32,159                 |
| Intergrated National Electrification Grant                  |     | 4,000           | 3,780           | -               | 9,000                | 9,000           | 9,000              | 7,000                                               | 7,000                  | 10,000                 |
| Neighbourhood Development Partnership                       |     | 1,000           | 8,118           | -               | -                    | -               | -                  | -                                                   | -                      | -                      |
| <b>Other grant providers:</b>                               |     | <b>400</b>      | <b>-</b>        | <b>-</b>        | <b>-</b>             | <b>-</b>        | <b>-</b>           | <b>-</b>                                            | <b>-</b>               | <b>-</b>               |
| DBSA                                                        |     | 400             | -               | -               | -                    | -               | -                  | -                                                   | -                      | -                      |
| <b>Total capital expenditure of Transfers and Grants</b>    |     | <b>22,529</b>   | <b>32,676</b>   | <b>31,537</b>   | <b>37,279</b>        | <b>37,279</b>   | <b>37,279</b>      | <b>36,492</b>                                       | <b>37,560</b>          | <b>42,159</b>          |
| <b>TOTAL EXPENDITURE OF TRANSFERS AND GRANTS</b>            |     | <b>82,253</b>   | <b>97,937</b>   | <b>105,164</b>  | <b>125,769</b>       | <b>125,769</b>  | <b>125,769</b>     | <b>149,652</b>                                      | <b>152,850</b>         | <b>157,822</b>         |

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**LIM334 Ba-Phalaborwa - Supporting Table SA26 Budgeted monthly revenue and expenditure  
(municipal vote)**

| Description<br><br>R thousand                 | Ref | Budget Year 2015/16 |               |               |               |               |               |               |               |               |               |               |               | Medium Term Revenue and Expenditure Framework |                        |                        |
|-----------------------------------------------|-----|---------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|-----------------------------------------------|------------------------|------------------------|
|                                               |     | July                | August        | Sept.         | October       | November      | December      | January       | February      | March         | April         | May           | June          | Budget Year 2015/16                           | Budget Year +1 2016/17 | Budget Year +2 2017/18 |
| <b>Revenue by Vote</b>                        | -   |                     |               |               |               |               |               |               |               |               |               |               |               |                                               |                        |                        |
| Executive and Council                         |     | -                   | -             | -             | -             | -             | -             | -             | -             | -             | -             | -             | -             | -                                             | -                      | -                      |
| Budget and Treasury Department                |     | 25,551              | 25,551        | 25,551        | 25,551        | 25,551        | 25,551        | 25,551        | 25,551        | 25,551        | 25,551        | 25,551        | 25,551        | 306,613                                       | 316,229                | 324,676                |
| Corporate Services                            |     | 29                  | 29            | 29            | 29            | 29            | 29            | 29            | 29            | 29            | 29            | 29            | 29            | 349                                           | 365                    | 387                    |
| Community and Social Services                 |     | 2,246               | 2,246         | 2,246         | 2,246         | 2,246         | 2,246         | 2,246         | 2,246         | 2,246         | 2,246         | 2,246         | 2,246         | 26,952                                        | 28,245                 | 29,912                 |
| Planning and Development                      |     | -                   | -             | -             | -             | -             | -             | -             | -             | -             | -             | -             | -             | -                                             | -                      | -                      |
| Technical Services Department                 |     | 12,137              | 12,137        | 12,137        | 12,137        | 12,137        | 12,137        | 12,137        | 12,137        | 12,137        | 12,137        | 12,137        | 12,137        | 145,643                                       | 150,687                | 161,950                |
| <b>Total Revenue by Vote</b>                  |     | <b>39,963</b>       | <b>39,963</b> | <b>39,963</b> | <b>39,963</b> | <b>39,963</b> | <b>39,963</b> | <b>39,963</b> | <b>39,963</b> | <b>39,963</b> | <b>39,963</b> | <b>39,963</b> | <b>39,963</b> | <b>479,557</b>                                | <b>495,527</b>         | <b>516,925</b>         |
| <b>Expenditure by Vote to be appropriated</b> | -   |                     |               |               |               |               |               |               |               |               |               |               |               |                                               |                        |                        |
| Executive and Council                         |     | 3,685               | 3,685         | 3,685         | 3,685         | 3,685         | 3,685         | 3,685         | 3,685         | 3,685         | 3,685         | 3,685         | 3,685         | 44,222                                        | 46,479                 | 49,102                 |
| Budget and Treasury Department                |     | 7,608               | 7,608         | 7,608         | 7,608         | 7,608         | 7,608         | 7,608         | 7,608         | 7,608         | 7,608         | 7,608         | 7,608         | 91,301                                        | 95,650                 | 101,061                |
| Corporate Services                            |     | 3,962               | 3,962         | 3,962         | 3,962         | 3,962         | 3,962         | 3,962         | 3,962         | 3,962         | 3,962         | 3,962         | 3,962         | 47,540                                        | 49,749                 | 52,447                 |
| Community and Social Services                 |     | 5,436               | 5,436         | 5,436         | 5,436         | 5,436         | 5,436         | 5,436         | 5,436         | 5,436         | 5,436         | 5,436         | 5,436         | 65,228                                        | 68,301                 | 71,925                 |
| Planning and Development                      |     | 1,483               | 1,483         | 1,483         | 1,483         | 1,483         | 1,483         | 1,483         | 1,483         | 1,483         | 1,483         | 1,483         | 1,483         | 17,791                                        | 18,634                 | 19,650                 |
| Technical Services Department                 |     | 16,992              | 16,992        | 16,992        | 16,992        | 16,992        | 16,992        | 16,992        | 16,992        | 16,992        | 16,992        | 16,992        | 16,992        | 203,909                                       | 209,801                | 217,322                |
| <b>Total Expenditure by Vote</b>              |     | <b>39,166</b>       | <b>39,166</b> | <b>39,166</b> | <b>39,166</b> | <b>39,166</b> | <b>39,166</b> | <b>39,166</b> | <b>39,166</b> | <b>39,166</b> | <b>39,166</b> | <b>39,166</b> | <b>39,166</b> | <b>469,992</b>                                | <b>488,614</b>         | <b>511,507</b>         |
| <b>Surplus/(Deficit)</b>                      | 1   | <b>797</b>          | <b>797</b>    | <b>797</b>    | <b>797</b>    | <b>797</b>    | <b>797</b>    | <b>797</b>    | <b>797</b>    | <b>797</b>    | <b>797</b>    | <b>797</b>    | <b>797</b>    | <b>9,565</b>                                  | <b>6,914</b>           | <b>5,418</b>           |

**LIM334 Ba-Phalaborwa - Supporting Table SA34c Repairs and maintenance expenditure by asset class**

| Description                                                                | Ref      | 2011/12         | 2012/13         | 2013/14         | Current Year 2014/15 |                 |                    | 2015/16 Medium Term Revenue & Expenditure Framework |                        |                        |
|----------------------------------------------------------------------------|----------|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|-----------------------------------------------------|------------------------|------------------------|
|                                                                            |          | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget      | Adjusted Budget | Full Year Forecast | Budget Year 2015/16                                 | Budget Year +1 2016/17 | Budget Year +2 2017/18 |
| <b>R thousand</b>                                                          | <b>1</b> |                 |                 |                 |                      |                 |                    |                                                     |                        |                        |
| <b><u>Repairs and maintenance expenditure by Asset Class/Sub-class</u></b> |          |                 |                 |                 |                      |                 |                    |                                                     |                        |                        |
| <b><u>Infrastructure</u></b>                                               |          | -               | -               | 17,009          | 11,201               | 12,601          | 12,601             | 13,306                                              | 13,945                 | 14,768                 |
| Infrastructure - Road transport                                            |          | -               | -               | 6,083           | 5,400                | 4,400           | 4,400              | 4,646                                               | 4,869                  | 5,157                  |
| <i>Roads, Pavements &amp; Bridges</i>                                      |          |                 |                 | 6,083           | 5,400                | 4,400           | 4,400              | 4,646                                               | 4,869                  | 5,157                  |
| <i>Storm water</i>                                                         |          |                 |                 |                 |                      |                 |                    |                                                     |                        |                        |
| Infrastructure - Electricity                                               |          | -               | -               | 9,834           | 4,600                | 6,600           | 6,600              | 6,970                                               | 7,304                  | 7,735                  |
| <i>Generation</i>                                                          |          |                 |                 |                 |                      |                 |                    |                                                     |                        |                        |
| <i>Transmission &amp; Reticulation</i>                                     |          |                 |                 | 9,834           | 4,600                | 6,600           | 6,600              | 6,970                                               | 7,304                  | 7,735                  |
| Infrastructure - Other                                                     |          | -               | -               | 1,092           | 1,201                | 1,601           | 1,601              | 1,690                                               | 1,771                  | 1,876                  |
| <i>Other</i>                                                               | 3        |                 |                 | 1,092           | 1,201                | 1,601           | 1,601              | 1,690                                               | 1,771                  | 1,876                  |
| <b><u>Community</u></b>                                                    |          | -               | -               | -               | 4,480                | 4,631           | 4,631              | 4,890                                               | 5,125                  | 5,427                  |
| Parks & gardens                                                            |          |                 |                 |                 | 2,600                | 2,600           | 2,600              | 2,746                                               | 2,877                  | 3,047                  |
| Sportsfields & stadia                                                      |          |                 |                 |                 |                      |                 |                    |                                                     |                        |                        |
| Clinics                                                                    |          |                 |                 |                 |                      |                 |                    |                                                     |                        |                        |
| Museums & Art Galleries                                                    |          |                 |                 |                 |                      |                 |                    |                                                     |                        |                        |
| Cemeteries                                                                 |          |                 |                 |                 | 550                  | 550             | 550                | 581                                                 | 609                    | 645                    |
| Social rental housing                                                      | 8        |                 |                 |                 |                      | -               | -                  | -                                                   | -                      | -                      |
| Other                                                                      |          |                 |                 |                 | 1,330                | 1,481           | 1,481              | 1,564                                               | 1,639                  | 1,736                  |
| <b><u>Heritage assets</u></b>                                              |          | -               | -               | -               | 32                   | 32              | 32                 | 34                                                  | 35                     | 38                     |
| Buildings                                                                  |          |                 |                 |                 |                      |                 |                    |                                                     |                        |                        |
| Other                                                                      | 9        |                 |                 |                 | 32                   | 32              | 32                 | 34                                                  | 35                     | 38                     |
| <b><u>Investment properties</u></b>                                        |          | -               | -               | -               | -                    | -               | -                  | -                                                   | -                      | -                      |
| <b><u>Other assets</u></b>                                                 |          | -               | -               | 391             | 3,578                | 2,938           | 2,938              | 3,103                                               | 3,252                  | 3,443                  |
| General vehicles                                                           |          |                 |                 |                 |                      |                 |                    |                                                     |                        |                        |

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|                                                  |          |          |          |               |               |               |               |               |               |               |
|--------------------------------------------------|----------|----------|----------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Computers - hardware/equipment                   |          |          |          | 391           | 3,578         | 2,938         | 2,938         | 3,103         | 3,252         | 3,443         |
| Furniture and other office equipment             |          |          |          |               |               |               |               |               |               |               |
| Other                                            |          |          |          |               |               |               |               |               |               |               |
| <b><u>Agricultural assets</u></b>                |          |          |          |               |               |               |               |               |               |               |
| Other ( <i>list sub-class</i> )                  |          | -        | -        | -             | -             | -             | -             | -             | -             | -             |
|                                                  |          |          |          |               |               |               |               |               |               |               |
| <b>Total Repairs and Maintenance Expenditure</b> | <b>1</b> | <b>-</b> | <b>-</b> | <b>17,400</b> | <b>19,291</b> | <b>20,202</b> | <b>20,202</b> | <b>21,333</b> | <b>22,357</b> | <b>23,676</b> |

**LIM334 Ba-Phalaborwa - Supporting Table SA34d Depreciation by asset class**

| Description                                         | Ref      | 2011/12         | 2012/13         | 2013/14         | Current Year 2014/15 |                 |                    | 2015/16 Medium Term Revenue & Expenditure Framework |                        |                        |
|-----------------------------------------------------|----------|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|-----------------------------------------------------|------------------------|------------------------|
|                                                     |          | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget      | Adjusted Budget | Full Year Forecast | Budget Year 2015/16                                 | Budget Year +1 2016/17 | Budget Year +2 2017/18 |
| <b>R thousand</b>                                   | <b>1</b> |                 |                 |                 |                      |                 |                    |                                                     |                        |                        |
| <b><u>Depreciation by Asset Class/Sub-class</u></b> |          |                 |                 |                 |                      |                 |                    |                                                     |                        |                        |
| -                                                   |          |                 |                 |                 |                      |                 |                    |                                                     |                        |                        |
| <b><u>Infrastructure</u></b>                        |          | -               | -               | -               | 62,909               | 62,909          | 62,909             | 57,432                                              | 60,189                 | 63,740                 |
| Infrastructure - Road transport                     |          | -               | -               | -               | 48,409               | 48,409          | 48,409             | 42,120                                              | 44,142                 | 46,746                 |
| Roads, Pavements & Bridges                          |          |                 |                 |                 | 48,409               | 48,409          | 48,409             | 42,120                                              | 44,142                 | 46,746                 |
| Infrastructure - Electricity                        |          | -               | -               | -               | 7,000                | 7,000           | 7,000              | 7,392                                               | 7,747                  | 8,204                  |
| Transmission & Reticulation                         |          |                 |                 |                 | 7,000                | 7,000           | 7,000              | 7,392                                               | 7,747                  | 8,204                  |
| Street Lighting                                     |          |                 |                 |                 |                      |                 |                    |                                                     |                        |                        |
| Infrastructure - Other                              |          | -               | -               | -               | 7,500                | 7,500           | 7,500              | 7,920                                               | 8,300                  | 8,790                  |
| Other                                               | 3        |                 |                 |                 | 7,500                | 7,500           | 7,500              | 7,920                                               | 8,300                  | 8,790                  |
| <b><u>Community</u></b>                             |          | -               | -               | -               | -                    | -               | -                  | -                                                   | -                      | -                      |
| Parks & gardens                                     |          |                 |                 |                 |                      |                 |                    |                                                     |                        |                        |
| <b><u>Other assets</u></b>                          |          | -               | -               | -               | 12,000               | 12,000          | 12,000             | 12,672                                              | 13,280                 | 14,064                 |
| General vehicles                                    |          |                 |                 |                 |                      |                 |                    |                                                     |                        |                        |
| Specialised vehicles                                | 10       | -               | -               | -               | -                    | -               | -                  | -                                                   | -                      | -                      |
| Computers - hardware/equipment                      |          |                 |                 |                 |                      |                 |                    |                                                     |                        |                        |
| Furniture and other office equipment                |          |                 |                 |                 | 12,000               | 12,000          | 12,000             | 12,672                                              | 13,280                 | 14,064                 |

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|                            |   |   |   |   |        |        |        |        |        |        |
|----------------------------|---|---|---|---|--------|--------|--------|--------|--------|--------|
| Other                      |   |   |   |   |        |        |        |        |        |        |
| <b>Agricultural assets</b> |   | - | - | - | -      | -      | -      | -      | -      | -      |
| <b>Total Depreciation</b>  | 1 | - | - | - | 74,909 | 74,909 | 74,909 | 70,104 | 73,469 | 77,804 |

**LIM334 Ba-Phalaborwa - Supporting Table SA15 Investment particulars by type**

| Investment type                  | Ref | 2011/12         | 2012/13         | 2013/14         | Current Year 2014/15 |                 |                    | 2015/16 Medium Term Revenue & Expenditure Framework |                        |                        |
|----------------------------------|-----|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|-----------------------------------------------------|------------------------|------------------------|
|                                  |     | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget      | Adjusted Budget | Full Year Forecast | Budget Year 2015/16                                 | Budget Year +1 2016/17 | Budget Year +2 2017/18 |
| <b>R thousand</b>                |     |                 |                 |                 |                      |                 |                    |                                                     |                        |                        |
| <b>Parent municipality</b>       |     |                 |                 |                 |                      |                 |                    |                                                     |                        |                        |
| Securities - National Government |     |                 |                 |                 |                      |                 |                    |                                                     |                        |                        |
| Listed Corporate Bonds           |     |                 |                 |                 |                      |                 |                    |                                                     |                        |                        |
| Deposits - Bank                  |     | 2               |                 |                 | 1,500                | 1,500           | 1,500              | 1,700                                               | 1,800                  | 1,850                  |
| <b>Municipality sub-total</b>    | 1   | 2               | -               | -               | 1,500                | 1,500           | 1,500              | 1,700                                               | 1,800                  | 1,850                  |
| <b>Consolidated total:</b>       |     | 2               | -               | -               | 1,500                | 1,500           | 1,500              | 1,700                                               | 1,800                  | 1,850                  |

**LIM334 Ba-Phalaborwa - Supporting Table SA35 Future financial implications of the capital budget**

| Vote Description<br><br>R thousand              | Ref | 2015/16 Medium Term Revenue & Expenditure Framework |                           |                           | Forecasts        |                  |                  |                |
|-------------------------------------------------|-----|-----------------------------------------------------|---------------------------|---------------------------|------------------|------------------|------------------|----------------|
|                                                 |     | Budget Year<br>2015/16                              | Budget Year +1<br>2016/17 | Budget Year +2<br>2017/18 | Forecast 2018/19 | Forecast 2019/20 | Forecast 2020/21 | Present value  |
| <b>Capital expenditure</b>                      | 1   |                                                     |                           |                           |                  |                  |                  |                |
| Vote 1 - Executive and Council                  |     | –                                                   | –                         | –                         | –                | –                | –                | –              |
| Vote 2 - Budget and Treasury Department         |     | –                                                   | –                         | –                         | –                | –                | –                | –              |
| Vote 3 - Corporate Services                     |     | 5 700                                               | 5 700                     | 5 700                     | 6 019            | 6 344            | 6 687            | 3 700          |
| Vote 4 - Community and Social Services          |     | –                                                   | –                         | –                         | –                | –                | –                | –              |
| Vote 5 - Planning and Development               |     | –                                                   | –                         | –                         | –                | –                | –                | –              |
| Vote 6 - Technical Services Department          |     | 48 092                                              | 49 160                    | 53 759                    | 56 770           | 59 835           | 63 066           | 50 579         |
| <i>List entity summary if applicable</i>        |     |                                                     |                           |                           |                  |                  |                  |                |
| <b>Total Capital Expenditure</b>                |     | <b>53 792</b>                                       | <b>54 860</b>             | <b>59 459</b>             | <b>62 789</b>    | <b>66 179</b>    | <b>69 753</b>    | <b>54 279</b>  |
| <b>Future operational costs by vote</b>         | 2   |                                                     |                           |                           |                  |                  |                  |                |
| Vote 1 - Executive and Council                  |     | 44 222                                              | 46 715                    | 49 906                    | 52 700           | 55 546           | 58 546           | 41 970         |
| Vote 2 - Budget and Treasury Department         |     | 82 301                                              | 87 060                    | 93 460                    | 98 694           | 104 023          | 109 640          | 86 700         |
| Vote 3 - Corporate Services                     |     | 47 540                                              | 50 063                    | 53 519                    | 56 516           | 59 568           | 62 785           | 44 257         |
| Vote 4 - Community and Social Services          |     | 65 228                                              | 69 018                    | 74 370                    | 78 534           | 82 775           | 87 245           | 62 191         |
| Vote 5 - Planning and Development               |     | 17 791                                              | 18 779                    | 20 148                    | 21 276           | 22 425           | 23 636           | 16 934         |
| Vote 6 - Technical Services Department          |     | 212 909                                             | 232 444                   | 255 942                   | 270 275          | 284 870          | 300 253          | 195 125        |
| <i>List entity summary if applicable</i>        |     |                                                     |                           |                           |                  |                  |                  |                |
| <b>Total future operational costs</b>           |     | <b>469 992</b>                                      | <b>504 080</b>            | <b>547 344</b>            | <b>577 996</b>   | <b>609 208</b>   | <b>642 105</b>   | <b>447 178</b> |
| <b>Future revenue by source</b>                 | 3   |                                                     |                           |                           |                  |                  |                  |                |
| Property rates                                  |     | 124 589                                             | 130 569                   | 138 273                   | 146 016          | 153 901          | 162 212          | 70 634         |
| Property rates - penalties & collection charges |     | –                                                   | –                         | –                         | –                | –                | –                | –              |
| Service charges - electricity revenue           |     | 100 666                                             | 105 498                   | 111 722                   | 117 978          | 124 349          | 131 064          | 95 327         |
| Service charges - refuse revenue                |     | 11 971                                              | 12 546                    | 13 286                    | 14 030           | 14 788           | 15 586           | 11 337         |
| Rental of facilities and equipment              |     | 346                                                 | 362                       | 384                       | 405              | 427              | 450              | 330            |
| <i>Other revenues including grants</i>          |     | 241 985                                             | 246 552                   | 253 260                   | 267 443          | 282 420          | 298 235          | 215 902        |
| <b>Total future revenue</b>                     |     | <b>479 557</b>                                      | <b>495 527</b>            | <b>516 925</b>            | <b>545 873</b>   | <b>575 885</b>   | <b>607 548</b>   | <b>393 530</b> |
| <b>Net Financial Implications</b>               |     | <b>44 227</b>                                       | <b>63 413</b>             | <b>89 878</b>             | <b>94 911</b>    | <b>99 502</b>    | <b>104 310</b>   | <b>107 926</b> |

**h.Summary of capital programmes per source**

| <b>MIG PROJECTS</b>                    | <b>AMOUNT</b>     |
|----------------------------------------|-------------------|
| Mashishimale sport complex             | 9,000,000         |
| Tambo street paving                    | 3,000,000         |
| Upgrading of B1 Extension road         | 4,000,000         |
| Upgrading of internal street at foskor | 8,500,000         |
| Benfarm street paving                  | 1,000,000         |
| Selwane sport complex                  | 1,000,000         |
| Topville to score street paving        | 2,992,000         |
|                                        | <b>29,492,000</b> |

| <b>ENEG PROJECTS</b>                       | <b>AMOUNT</b>    |
|--------------------------------------------|------------------|
| Electrification of Biko Ext and Nina Nkulu | 7,000,000        |
|                                            | <b>7,000,000</b> |

| INTERNAL FUNDING PROJECTS                                                                                  | BUDGET            |
|------------------------------------------------------------------------------------------------------------|-------------------|
| Installation of Backup Generator                                                                           | 600,000           |
| Upgrade of single phase network to three phase in Ex1                                                      | 2,000,000         |
| Upgrade of switchgear and Protection relays at Cleveland                                                   | 3,000,000         |
| Rehabilitation of street in Phalaborwa, Namakgale & Lulekani                                               | 3,000,000         |
| Construction of stormwater culvert between Maseke and Mashishimale R1                                      | 500,000           |
| Roads and Stormwater master plan                                                                           | 1,000,000         |
| Design of municipal offices                                                                                | 500,000           |
| Namakgale Cemetery (Fencing) Old and new                                                                   | 1,000,000         |
| Development of Disaster recovery Plan & Business Continuity Plan                                           | 2,000,000         |
| Upgrading of ICT Infrastructure (Cabling , Computers , Switches , Servers ,printers , wireless and Laptops | 1,500,000         |
| Centralized Archives                                                                                       | 500,000           |
| Furniture & Equipment                                                                                      | 1,000,000         |
| Revamp of Council Chamber                                                                                  | 700,000           |
|                                                                                                            | <b>17,300,000</b> |



### Capital Budget 2015/16

| Capital Expenditure per funding  | Budget Year 2015/16 |
|----------------------------------|---------------------|
| MIG                              | 29,492,000          |
| INEG                             | 7,000,000           |
| Own Funding                      | 17,300,000          |
| <b>Total Capital Expenditure</b> | <b>53,792,000</b>   |

- The estimated capital programme expenditure for the financial year 2015/16 is amounting to R53,792 million

## MUNICIPAL MANAGER'S QUALITY CERTIFICATION

### QUALITY CERTIFICATE

I **SETIMELA SIMPSON SEBASHE**, Municipal manager of **BA-PHALABORWA MUNICIPALITY**, hereby certify that the annual budget and supporting documentation have been prepared in accordance with the Municipal Finance Management Act and regulations made under the act, and that the annual budget and supporting documents made under the Act, and that the annual budget and supporting documents are consistent with the Integrated Development Plan of the municipality.

**Print Name:** **Sebashe S S (Dr)**

**Municipal Manager:** **Ba-Phalaborwa Municipality (LIM334)**

**Signature:** \_\_\_\_\_

**Date:** \_\_\_\_\_